



ABN 73 122 948 805

25 November 2016

**Announcement
Transaction Update**

Dear Shareholder,

It is with great pleasure that we wish to advise that the Company has recently executed a Terms Sheet for the acquisition of a substantial interest in a midstream oil & gas operating asset in Alberta, Canada.

The interest consists of a non-operated equity position of approx. 25% in an oil pipeline, that is transporting oil in northern Alberta over a distance of some 96 miles, on behalf of a number of oil producers in the region, including several international majors.

The asset will be acquired for C\$5m, representing a price of approx. five (5) times earnings, and will be cashflow positive for the Company immediately post-acquisition, and transform the Company from an oil & gas exploration company to a midstream oil & gas producer.

The Company is currently carrying out due diligence on the asset, and subject to satisfactory of the same, intends to complete the transaction and execute a Purchase and Sale Agreement in the matter by mid-December 2016.

Following execution of the PSA, the Company will commence work on the necessary due process to enable it to raise the monies required for completion of the acquisition and achieve re-listing of the Company by way of an IPO and issue of Prospectus.

It is anticipated the transaction will be completed in the first Quarter of Calendar 2017.

Many thanks and regards,

A handwritten signature in black ink, appearing to read 'M Boland', is written over a light grey circular stamp.

Marcus Boland
Director

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