



ASX/MEDIA RELEASE
28 September 2017

Petrel undertakes Capital Raising to complete four well program in Uruguay

HIGHLIGHTS

- **Capital Raising to raise \$3.5m to \$5.45m consisting of:**
 - Placement for \$880,000 now complete
 - Non renounceable entitlement offer to raise up to \$4.57 million
 - Entitlement offer underwritten up to first \$2.61 million
- **Entitlement to one share for every three shares held at issue price of \$0.011 per share**
- **One free listed attaching Option for every Share subscribed for, exercisable at 4¢ and expiring on 31 October 2018**
- **Four well low cost conventional programme with:**
 - significant conventional potential with very material upside
 - both oil and gas targets
 - non-binary outcome - 3 of 4 wells have multiple objectives

The Board of Directors is pleased to announce that it will raise up to \$5.45m via a placement and Rights Issue. The capital raise comprises;

- a partially underwritten Non-Renounceable Entitlement Offer (Offer) to raise a total of up to \$4,568,566 at 1.1¢ per share. The Rights Issue will be on a 1:3 basis and will have an attached 1:1 option exercisable at 4¢ expiring 31 October 2018. and;
- an accompanying \$880,000 placement of 80m shares (utilising Listing Rule 7.1 placement capacity) at 1.1¢ per share and 80m facilitation options (which are subject to shareholder approval) exercisable at 4¢ expiring 31 October 2018.

Patersons Securities Limited (**Patersons**) acting as Lead Manager and Underwriter to the Offer, have underwritten the Offer to \$2,613,750. Details of the underwriting agreement will be contained in the Offer prospectus.

Petrel's Managing Director David Casey commented that "in 2016 Petrel authorised expenditure on an exciting four-well drilling programme designed to unlock the potentially significant hydrocarbon potential within the Company's 3.5m acres in Uruguay. This programme is the first onshore drilling programme in that country in 40 years. As detailed in this Prospectus, we have encountered significant unforeseen challenges and complexities in



effectively executing the drilling programme. As a result, the programme is significantly behind schedule and over budget and we have instigated a review of all drilling and onsite operations. I believe on the back of this review, and taking into consideration the significant geological and operational lessons that have been learnt in recent months, and with the drill rig poised to successfully fish and drill ahead, that we are now in a better position going forward than we have ever been.”

He went on to say that “Once again the support of our shareholders has been overwhelming in what has not doubt been a challenging time for all, and we are confident of, and determined to, repay the loyalty shown.”

Overview of Offer

Eligible shareholders have the opportunity to subscribe for one (1) fully paid ordinary share in Petrel (**New Shares**) for every three (3) shares held on the Record Date, at an issue price of \$0.011 per share. The Offer participants will also receive one (1) free listed attaching Option for every New Share subscribed for, exercisable at 4¢ and expiring on 31 October 2018.

All New Shares will rank equally with existing shares of the Company from the date of issue.

The Directors have determined that the Record Date for the offer of New Shares is 7:00 pm (Sydney time) on 6 October 2017 (**Record Date**). Accordingly, those persons who are registered as a Shareholder on the Record Date and are otherwise considered to be an eligible Shareholder will be eligible to participate in the Offer. Shareholders whose address is outside Australia or New Zealand will not be eligible to participate in the Offer.

Any New Shares not taken up by eligible shareholders will form part of the shortfall and can be applied for by other eligible Shareholders under the shortfall facility in addition to their entitlements, or otherwise taken up by Patersons as the underwriter, up to the underwritten amount.

Use of funds from Placement and Offer

Funds raised from the Placement and the Offer will be used to cover Petrel’s overhead costs and underpin the completion of Petrel’s 51% obligation in the four well programme in Uruguay. If Petrel’s 49% partner, Schuepbach International Holdings LLC (**SIH**) does not fund its share of each well, several funding scenarios are possible. Further details are set out in the Prospectus.



Indicative Timetable for Offer

The indicative timetable for the Offer is as follows:

Event	Date
Announcement of Offer and lodgement of prospectus and Appendix 3B with ASX	28 September 2017
Letters to Shareholders and option holders re Offer	29 September 2017
"Ex" Date	5 October 2017
Record Date	7.00pm (Sydney time) on 6 October 2017
Prospectus and personalised application forms dispatched to eligible Shareholders	10 October 2017
Opening date	10 October 2017
Closing date	5.00pm (Sydney time) on 24 October 2017
Shares quoted on a deferred settlement basis	25 October 2017
Shortfall notified to ASX and underwriter	25 October 2017
Issue and allotment of New Shares and options	31 October 2017
Final Appendix 3B lodged with ASX	31 October 2017
Normal trading commences	1 November 2017
Expected dispatch of holding statements	3 November 2017

All the dates and times are indicative only. Subject to compliance with the ASX Listing Rules, Petrel reserves the right to: (i) not proceed with the Entitlement Offer and return any applications moneys received without interest; or (ii) vary the dates and times above including closing the Offer earlier or later. All times are references to Sydney time.

If you have any queries about the Offer, please contact either Petrel's Share Registry, Boardroom Pty Ltd, on 1300 737 760 or the Company Secretary, Mr Ian Kirkham on 02 9254 9000.