



## **ASX RELEASE**

17 April 2018

### **Rights Issue Shortfall Notice**

Petrel Energy Limited (ASX:PRL) (PRL) advises that its non-renounceable entitlement offer (Rights Issue), made on the basis of two fully paid ordinary shares in Petrel for every three shares held at an issue price of \$0.004 per share, closed on 12 April 2018.

Applications were received under the Rights Issue for a total of 61,862,755 fully paid ordinary shares (New Shares) for a total subscription amount received of \$247,451. This comprises 52,736,615 entitlement shares and 9,126,140 additionally subscribed shares.

Pursuant to ASX Listing Rule 7.40 and Appendix 7A, the Company hereby gives notice of a shortfall in subscriptions of 1,062,093,718 shares (Shortfall Shares).

Under the terms of the Rights Issue the Company has the right to place any or all of the remaining Shortfall Shares within three months after the Closing Date (i.e. by 12 July 2018) on the same terms as the Rights Issue. The Company will issue and allot all New Shares applied for under the Rights Issue on 19 April 2018.

Managing Director, Mr David Casey, said “our shareholders have provided a clear indication of how they want Petrel to proceed with its Uruguay exploration. Petrel’s preferred way forward had been to raise capital and find a new funding partner for Uruguay that could assist with paying creditors and move the project ahead by drilling wells. With such modest Rights Issue proceeds Petrel will now focus on a non-funding position in the Uruguay assets or potential sale of its project assets to cover unpaid liabilities.”

He went on to say “while the level of support in this instance has been disappointing, it is not entirely surprising under the circumstances and needs to be considered in the context of the fantastic support shown by all our shareholders in funding us until now and enabling us to be the first group to identify and confirm hydrocarbons in Uruguay.

There is no doubt that being the first company to drill in a frontier basin in more than 30 years has been challenging, and it’s unfortunate that we encountered a fault in our last well at a difficult time with our previous partner not funding. That said, and notwithstanding the obvious risks associated with any exploration programme, we have nonetheless identified significant value and upside in the Uruguayan asset, which thanks to our current modest funding, we can still potentially realise through our ongoing partner discussions with a number of interested parties including our current minority partner Schuepbach International Holding LLC.

#### **For further information contact:**

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