



ASX/MEDIA RELEASE

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Acquisition of Remaining Equity in Spanish Asset Completed

Petrel Energy Limited (ASX:PRL) has completed its agreement with Schuepbach Energy International LLC ("SEI"), that it announced on 27 April 2018, for the transfer of a 13.7% interest in SEI in return for SEI's interests in the Tessorillo Project. As a result, Petrel's interest in the Tessorillo Project in Southern Spain will increase from 62.7% to 97.5% and its interest in SEI Uruguay assets will reduce from 62.7% to 49%.

Funding of the Tessorillo Project in Spain will be minimal as Petrel's current 97.5% interest in the Tessorillo Project will reduce to 50.1% upon completion of the Prospex Share Purchase Agreement signed in December 2017. Staged sale proceeds of €2m will fund Petrel's share of the proposed €3.8m work programme which includes magnetotelluric acquisition and if successful a well to target the Almarchal-1 discovery drilled in 1956.

As part of the 27 April 2018 agreement Petrel was provided with five weeks to negotiate a Uruguay Project funding agreement Letter of Intent with groups already in the data room. While this process is ongoing Petrel and its advisers have been unable to finalise a Letter of Intent with a new funding partner at this time. There is still scope for a future partner to enter the project, but any transaction going forward would require approval from all parties including ANCAP.

To date SIH has exercised its option to invest up to \$500,000 in SEI as preferred capital which can be converted for a further 8% interest in SEI no later than 28 September 2018, and has a further right to invest an additional US\$1.5m in SEI and its Uruguay assets.

Managing Director, Mr David Casey, said "we are pleased to have arranged funding to progress both Tessorillo and Uruguay with minimal recourse to the companies limited resources at present. This will allow Petrel to focus its efforts on discussions with various groups on restructuring both the company and its portfolio to give shareholders better access to a more diversified portfolio across the development and investment spectrum."

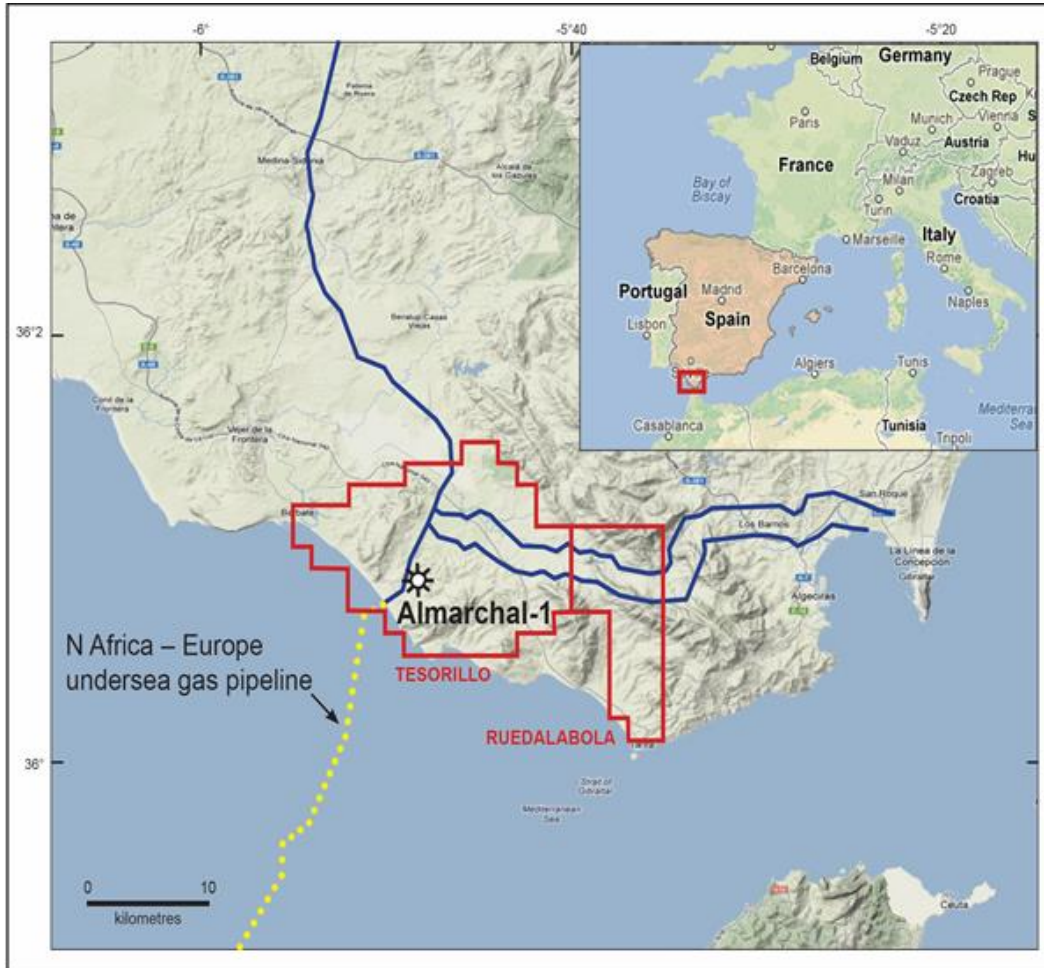
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Tesorillo Project

[Link to March 2018 Project Update](#)



Map – Tesorillo and Ruedalabola covering 94,000 acres (38,000ha)

- Two contiguous license areas total 38,000ha (94,000 acres), Cadiz province, southern Spain
- 1956 Almachal-1 flowed gas from stacked porous & permeable Tertiary sandstones at shallow depths
- Large seismically defined structure
- Potential access available to 40" Nth Africa to Europe gas pipeline with excess capacity 3km from well location