
ASX Release

11 June 2014

**CARAVEL ENERGY
LIMITED
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Issued Capital:

825.84 shares

ASX Symbol:

CRJ

DIVESTMENT OF MADAGASCAN OIL PROJECT

Caravel Energy Limited (**CRJ or the Company**) is pleased to announce that it has sold its 25% interest (ability to earn up to 80%) in PetroMad Mauritius Limited (being the company which owns a 100% interest in the Bezaha Oil Project concession located in Southern Madagascar). The Company intends to renew its focus on its existing Olympic Dam copper assets where significant potential exists to identify and drill copper targets.

The purchaser of the asset is ASX listed company Tellus Resources Limited (**ASX:TLU**). Under the Sale Agreement, Tellus has agreed to acquire:

- (a) CRJ's 25% shareholding interest in PetroMad (Mauritius) Limited (**PetroMad**) (being the company which owns a 100% interest in the Bezaha Oil Project concession located in Southern Madagascar); and
- (b) All of CRJ's rights and obligations under an agreement entered into with the owner of the remaining 75% interest in PetroMad (and under which CRJ is entitled, subject to successful completion of staged work programs, to earn up to an 80% ownership interest in PetroMad).

The consideration for the acquisition is the issue of 85 million TLU shares (of which 60 million are to be issue to CRJ and the other 25 million to certain unrelated nominated CRJ creditors). Additionally, Tellus will assume certain liabilities associated with PetroMad.

CRJ intends to seek shareholder and regulatory approval to distribute the 60 million Tellus shares in-specie directly to the individual CRJ shareholders promptly after concluding this transaction. Full details of this distribution will be provided to shareholders in the Explanatory Memorandum accompanying the Notice of Meeting.

Settlement of the acquisition is conditional on each of CRJ and TLU obtaining all shareholder approvals required under the ASX listing Rules and the Corporations Act to effect the transaction.

A Notice of Meeting is being prepared and will be sent to all shareholders.

The Company intends to immediately shift its focus to an existing portfolio of highly prospective copper licences in the Olympic Dam copper province of South Australia. The Company holds approximately 2,300km² of granted licences and a number of drill ready targets have already been identified. Concurrent with the divestment of the Madagascan oil assets



the Company intends to build up these targets further and should have an updated release to the market in the coming quarter.

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