



ASX ANNOUNCEMENT
ASX: COD
9 JULY 2014

COSSACK MOVES TO COMPLETE ITS POLISH ACQUISITION AS A EUROPEAN BASED FUND BECOMES A MAJOR SHAREHOLDER

Highlights:

- **Cossack has exercised its right to proceed with the acquisition of the Bieszczady Project, with preparation of a formal Sale and Purchase Agreement reflecting the terms agreed under the binding Heads of Agreement now underway.**
- **On Settlement, Cossack anticipates a near term flow testing program on the Nieb-1 discovery well to prove up existing Contingent Gas Resources to Reserves, followed by a fast track program to production.**
- **A large European based fund has taken a circa 8% stake in the company.**
- **Over subscriptions for \$688,078 have been agreed to be allocated to enable the fund's participation, together with some other high net worth investors.**
- **The increased level of investor interest is encouraging and provides Cossack with approximately \$3.5m in cash at bank to progress its work program on the Polish assets.**

Detailed Due Diligence Completed

Cossack Energy Limited ("Cossack" or "the Company"), the oil and gas explorer with assets in the world class North Carpathian oil and gas province in Ukraine and Poland, is pleased to announce that it has effectively completed its detailed due diligence on the Bieszczady Project in Poland during a period of exclusivity under a binding Heads of Agreement and has resolved to proceed with the transaction.

Bieszczady Project Acquisition

As announced at the end of May, Cossack executed a Binding Heads of Agreement ("HoA") with Iskander Energy ("Iskander") on 27th May 2014 to acquire their complete 24% Working Interest ("WI") in the Bieszczady Project ("Project") located in south-east Poland. As contemplated in the HoA, the Company paid a non-refundable deposit of US\$200,000 to Iskander on 4th June 2014 and moved into an extended period of exclusivity which afforded the Company further time to conduct more in-depth due diligence on the Project up until 3rd July 2014.

Cossack can confirm that it has, with the exception of a couple of minor items, completed its in-depth due diligence within the period of exclusivity and has elected to proceed with the acquisition, and has delivered to Iskander a Notice to Proceed with the transaction. The subsequent steps contemplated by the HoA are (a) execution of a formal Sale & Purchase Agreement ("SPA") which is currently being negotiated with Iskander and (b) immediately thereafter, completion under the SPA.



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The SPA is anticipated to be executed within approximately one week, at which time Cossack will move to settlement of the transaction ("Settlement") which will be via the acquisition of a Polish holding Company called EuroGas Polska Sp. z o.o., the owner of the 24% working interest in the Joint Operating Agreement ("JOA") for the Bieszczady Project.

Following execution of the formal SPA, Cossack will be required to pay a total of a further US\$800,000 to Iskander, US\$500,000 of which is payable at Settlement and the remaining US\$300,000 payable (less any adjustments) by 31 December 2014.

Bieszczady Project Description

The Bieszczady Project is made up of eight (8) contiguous licences and covers an extensive area of 3,546 km² which equates to 876,236 acres in the far south-east of Poland bordering on Ukraine and Slovakia in the foothills of the Carpathian Mountains.

Tarnawa Central, one of five prospective fields identified in the Project area, has been flow tested by means of the Niebieszczady-1 ("Nieb-1") discovery well.

Polskie Górnictwo Naftowe i Gazownictwo ("PGNiG"), who is the largest oil & gas exploration and production company in Poland, is the 51% JV owner and Operator of the Project with LSE AIM listed San Leon Energy plc as the other 25% JV Partner.

Strong Support Received for Cossack Energy Placement

Cossack has received an unsolicited investment from a European based fund, managed by Mont Blanc Capital Management AG, which will result in the fund subscribing for an approximate 8% interest in the Company in return for an investment of \$500,000.

Mont Blanc Capital Management AG is an authorized asset manager for collective investments under supervision of the Swiss Financial Market Authority FINMA.

Headquartered in Zurich, Switzerland, Mont Blanc Capital Management AG was established in 2005 to provide strategic asset management and custom-tailored products to its institutional and private clients.

Cossack understands that the investment will be taken up through one of Mont Blanc Capital's managed funds.

Mont Blanc Capital Management AG was introduced to the Company by BBY Limited.

In addition, the Company has received additional support for its recently closed placement from other high net worth investors and has therefore increased the amount to be raised under the placement by a further \$688,078 (including the funds from Mont Blanc Capital Management AG).



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This additional investor interest demonstrates strong support for the Company's strategy of asset diversification, through the Polish acquisition, while also pursuing a value creating strategy with its Ukraine asset through a farm out.

As the cleansing share offer and option offer pursuant to the Entitlement Issue Prospectus released 5 May 2014 are still open, the Company has not prepared a cleansing statement in relation to these placement shares and options due to its reliance on the exception provided by Section 708A(11) of the Corporations Act.

Immediate Well Test to prove up Contingent Resources

The program of works for 2014 proposed by the Operator (PGNiG) is concentrated on a wide perforation and production test of the Nieb-1 discovery well located in the Tarnawa Central prospect containing the contingent resources which was drilled and tested in 2011.

Final timing of the proposed program will be determined at a meeting of the Joint Venture Committee, proposed for some time during July 2014. It is expected that the program will be initiated and completed in the second half of the 2014 calendar year.

Development scenarios are highly advanced and would be via a dedicated processing facility and a 17km lateral pipeline to interconnect into an existing metering facility located on the high pressure pipeline system.

For more information contact:

Cossack Energy

David King

Managing Director

T: +61 8 9322 9295

E: admin@cossackenergy.com

Corporate:

Adam Blumenthal

BBY Limited

T: +61 2 9226 0084

E: adb@bby.com.au

About Cossack Energy Limited:

Cossack Energy listed on the ASX in October 2013. The Company is an oil and gas exploration and development company focussed on advancing highly prospective assets within the world class oil and gas provinces of the Ukraine and Eastern Europe.

Cossack has 100% ownership of the Limnytska Licence, a large onshore oil and gas project spanning some 172km² in Western Ukraine. The license is located adjacent to known discoveries and near to existing large producing oil and gas fields, Limnytska is considered a relatively low risk appraisal opportunity with significant upside.

Cossack has also entered into an agreement to acquire a 24% Working Interest (“WI”) in the Bieszczady Project located in Poland.

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Through its established in-country relationships and management expertise, the Company intends to expand its portfolio throughout the Ukraine and Eastern Europe to develop a diversified exploration and production oil and gas company.