ASX ANNOUNCEMENT

7 October 2014

PROJECT DEVELOPMENT AND EXPLORATION UPDATES

Highlights:

- **Proceeds of $4.0M received from Tranche 1 capital raising, and Tranche 2 of further $2.0M scheduled for completion on 14 October 2014**
- **Hydrologic testing provides encouraging preliminary results, and verification test work remains ongoing**
- **Over 6,000m of exploration drilling set to commence at the satellite Tulu Tepe and Deliler uranium prospects in the Sefaatli district in mid-October**
- **Regional exploration for new uranium discoveries on-going**
- **Anatolia remains on track for delivery of its Pre-Feasibility Study in Q4 2014**

Anatolia Energy Limited (the "Company" or "Anatolia") is pleased to announce that following its successful capital raising in late August to raise up to $6 million by way of placement, the Company has had significant works underway at site in recent weeks in the lead up the completion of the Temrezli Project Pre-Feasibility Study (PFS) this quarter, and has been preparing for a significant exploration drilling campaign to commence in the middle of this month.

Temrezli Project - Hydrogeological Test Work

The Company has partially completed a hydrogeological test program at its flagship high grade and low cost Temrezli ISR Uranium Project with encouraging early results. Well construction was overseen by WWC Engineering of Sheridan Wyoming whilst the hydrologic testing was managed by HydroSolutions of Denver Colorado. Both parties have considerable experience in ground water conditions relating to In-Situ Recovery (ISR) uranium operations.

Field observations collected during the programme have confirmed:

- Air lifted water flows from Lens 1 which makes up almost 30% of the deposit, were estimated to be in the order of 150 litres per minute. This flow rate was later confirmed during a 24 hr hydrologic test which averaged an extraction rate of 46 litres per minute while only drawing down approximately 1/4 of the available hydraulic head in the well. Extraction rates used in the updated Preliminary Economic Assessment from May 2014 were 38 litres per minute, indicating potential for the extraction rates during production to exceed the PEA assumptions;
- No hydraulic response in the overlying near-surface aquifer during either the 24hr or 72hr pumping of ground water from the uranium ore-bearing aquifers, demonstrating the mineralised lenses to be mined are confined and provide conditions suitable for ISR, and
- Lateral (horizontal) hydrogeological connectivity of the uranium ore-bearing aquifers during the extraction and injection of ground water from a 5-spot well pattern at a 20m spacing.

These results, whilst positive, are preliminary, and were influenced by mechanical failures on the injection pumps, which resulted in the output data being recorded prior to pressurisation. It is the opinion of the Company that to be prudent, some further testing is required to determine the final injection rates to be utilised in a production scenario to ensure optimal well field design. The results of the hydrogeological work will be used by TetraTech for detailed well field planning.

The hydrogeological work represents some of the final components to the Temrezli PFS, which the Company still expects to deliver in 2014. The additional hydrological test work planned will have no flow-on delay for project delivery, but are a prudent measure to ensure optimal well field design.

Sefaatli Exploration Drilling

Anatolia is also pleased to announce that following the national Turkish holidays it will very shortly commence Phase 1 drilling in the Sefaatli district where drilling in the 1980s discovered the largest extent of uranium mineralisation outside of the Company's flagship Temrezli uranium deposit.

Given the proximity of Sefaatli to the Temrezli, there is strong potential for Sefaatli to evolve into a satellite operation that supplements the planned development of the Temrezli Uranium Project.

Phase 1 drilling will focus on the Deliler and Tulu Tepe uranium prospects (Figure 1) over a combined area of some 4.6km^2 where previous drilling intersected two or more lenses, and on occasion up to 5 stacked lenses, at shallow depths between 20m and 135m.

The drilling will be a combination of diamond core (HQ) and rotary methods with some 29 holes and 2,950m planned for Deliler, and 27 holes and 3,440m planned for Tulu Tepe, on an approximate 100 x 100m drill spacing (east-west). Drilling will be on private lands with the Company having secured access rights with the landowners. Phase 1 Drilling is expected to continue for approximately 6 weeks, with results to follow shortly thereafter, and Phase 2 drilling is planned for Q1 2015.

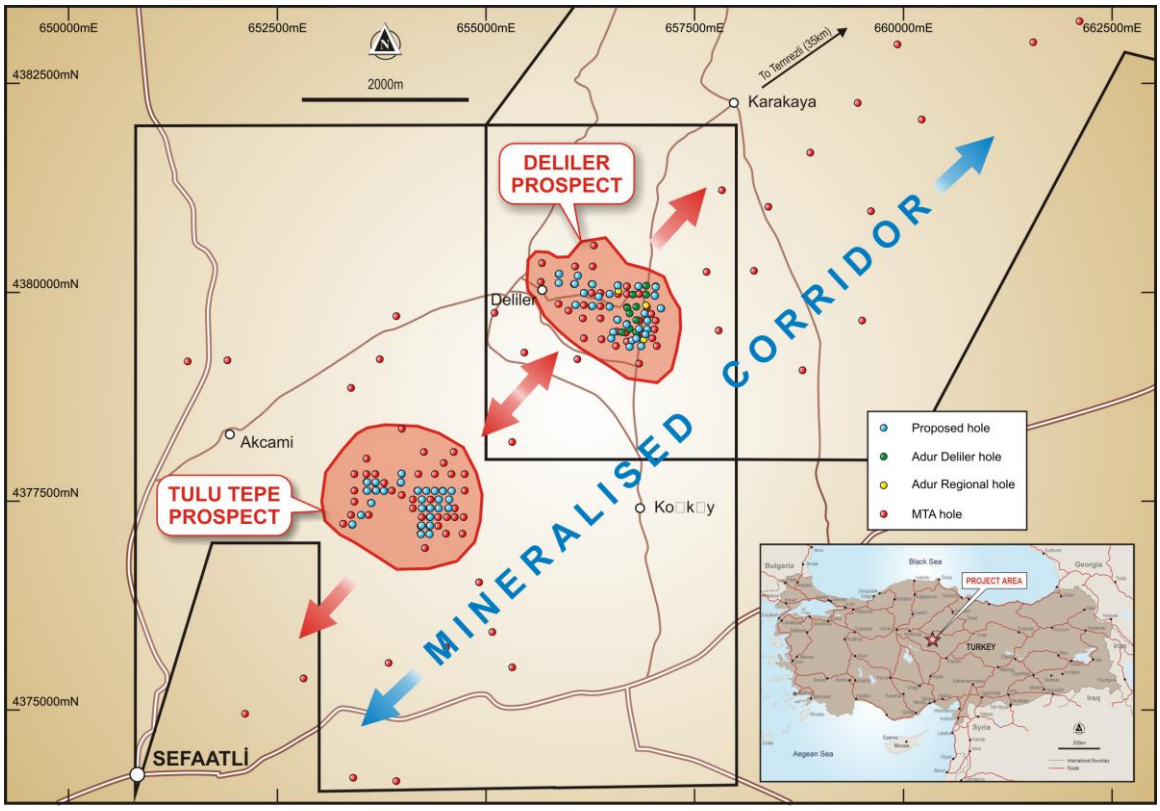

Figure 1: ***Deliler and Tulu Tepe uranium prospects within the Sefaatli Project***

Regional Exploration

The Company's regional exploration remains on-going with field work, mostly mapping and rock chip sampling, focussing on an area to the northeast of the Temrezli deposit where Tertiary sediments (host rocks for the uranium mineralisation) outcrop in close proximity to a granite which has in part an elevated radioactive response. Field work will extend into the Company's other Exploration Licences during the remainder of Q4 2014, with planning underway for remote sensing surveys to target Tertiary sedimentary packages in the broad central Anatolian uranium district in 2015.

Temrezli Environmental Assessment

At Temrezli the Company has just completed an extensive background radiation monitoring program. It has been designed to quantify the pre-construction and pre-operational radiological conditions over the entire Project area. The average baseline radionuclide concentrations in environmental media as well as their natural variability will be used to assess the potential radiological impacts of the ISR facility during operation and to guide post-operations reclamation of the area. The program was created by combining the most stringent and developed baseline monitoring regulations with guidance from various entities and organisations within the international radiation protection community. It is intended to characterise the natural radiological conditions at Temrezli and is in support of a larger Environmental and Social Impact Assessment (ESIA) being conducted simultaneously by SRK (Turkey) that will be completed and submitted to the Turkish permitting agency, in support of the grant of the Company's Operation Permit.

Concurrently the Company has commenced its baseline Social Impact Assessment as part of the ESIA. To assist these activities the Company is establishing a dedicated office in the nearby town of Sorgun which will facilitate consultation meetings with the local community, and facilitate the distribution of information package(s) to both interested parties and the wider community including local government agencies. In this regard the Company is pleased to advise that it has expanded its staff with the appointment of a Community Liaison Officer based full-time in Sorgun to manage the office and supervise the various aspects of the Company's social surveys and consultation meetings which is under the overall authority and management of SRK (Turkey).

ENDS

For further Company information please contact:

North America
Anatolia Energy
Jim Graham
Managing Director
Tel: +1 720 479 8430

Australia
Anatolia Energy
Lee Boyd
Company Secretary
Tel: +61 8 9321 5245

Europe
Anatolia Energy
Paul Cronin
Corporate Development
Tel: +44 20 3961 5367

The information in this release which relates to Hydrogeological Results includes information compiled by Mr Errol Lawrence who is a director of HydroSolutions LLC of Denver Colorado, USA. Mr Lawrence is a Professional Hydrologist in the State of Colorado and is a member of a Recognised Overseas Professional Organisations (ROPOs) as listed by the ASX. Mr Lawrence has over 30 years experience in similar types of deposits and in the preparation of hydrogeological analyses, and sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lawrence consents to inclusion in this release of the matters based on their information in the form and context in which it appears.