

ASX ANNOUNCEMENT

10 January 2017

Acquisition of interest in the Gallatin Gas-Condensate project in Cherokee County, Texas and director changes

- Interpose acquires a 7.5% Working Interest in the Gallatin Project
- Targeting 5bcfg and 70,000 BO per well
- First well to spud early February 2017
- Along strike from producing fields in the same targeted formation
- Potential for three wells at the project
- Welcoming Mr Justin Barton to the board of IHS

Interpose Holdings Limited (ASX: IHS) or “the company” is pleased to announce the acquisition of a 7.5% Working Interest (WI) in the Gallatin gas/condensate project located in central Cherokee County, in the southern portion of the East Texas Basin from BMNW Resources LLC of Dallas Texas. BMNW are an accomplished geological group and the generator of the Gallatin Project. The project will test the possibility of a potentially productive section of the Pettit formation that lies across the prospect area, and will be operated by F.W Rabalais Inc from Fort Worth, Texas. Rabalais operate wells in multiple counties across Texas.

This same formation produces at approximately 9,000 feet from the Anne Field (discovered in 2010) and Buffkin Field (discovered in 2009) which lie directly to the south-east of the Gallatin Prospect. Wells in these fields produce from 6-10ft zones with 18% porosity at rates up to 1.3 mmcfpd and 15 bopd.

Key terms of the transactions:

- 7.5% working interest with a 25% back in after payout to the project generator;
- IHS dry hole cost estimated at USD\$73,762;
- Completion costs USD\$23,000 if a successful well;
- IHS will earn a 7.5% WI in 1,074 acres covering the project; and
- Net Revenue Interest of 75%.

Currently the well pad and access roads are under construction. The rig is scheduled for the first week of February subject to timing of completion of a current well being drilled by the rig.

INTERPOSE HOLDINGS LIMITED

The company's forward looking strategy is to remain in the oil and gas sector and pursue low risk project participation with reputable and proven operators to build a portfolio of producing projects while asset values remain depressed due to the oil price cycle. The Gallatin project provides a first step in building on this approach at a reasonable entry and risk cost.

The company would like to welcome Mr Justin Barton to its board as a non-executive director. Mr Barton is an experienced CFO in the mining and energy sector and brings with him invaluable experience.

The company would also like to confirm the resignation of Mr Marcus Gracey from the company's board. We would like to thank Mr Gracey for his tireless contribution to IHS and its predecessor Sunbird Energy. Mr Gracey, an experienced corporate lawyer and company director, was more recently instrumental in unwinding the company from its previous South African assets in order to revitalise it to a stage where it could pursue alternative assets. We wish Mr Gracey all the best in the future and thank him for his service.

For further information contact

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About Interpose Holdings Ltd

To pursue low risk oil & gas projects and partner with reputable and proven oil & gas sector operators to build a portfolio of producing projects and at a reasonable entry and risk cost to the company's shareholders.

The information in this announcement has been reviewed by David Brewer (a Certified Petroleum Geologist with the AAPG) who has over 30 years' experience in petroleum geology, and geophysics, prospect generation and evaluations, and prospect and project level resource and risk estimations. Mr Brewer reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at spe.org.