

21 April 2017
ASX Announcement

COMPANY UPDATE AND PLACEMENT

SYDNEY, Australia, 21 April 2017 – Skyland Petroleum Group Limited ARBN 613 928 671 (ASX:SKP) (“Skyland” or the “Company”) advises that it has received preliminary results of its internal review and that it has made a placement to raise AUD 500,000.

With reference to previous announcements, the Company is currently reviewing its proposed acquisition of the East Siberia Oil and Gas asset following the death of its former Executive Chairman and Managing Director as well as a review of its current operations and financial position. The review by the Company has noted irregularities which have resulted in proceedings by Skyland against former executive management and identified substantial liabilities with a major financial impact on the Company’s accounts. As most of the irregularities have occurred through the subsidiaries of Skyland Petroleum Holdings Limited (incorporated under Cayman law, OG-296850), the directors of the Company have resolved to cease any financial assistance to Skyland Petroleum Holdings Limited and its subsidiaries and to pursue legal action against the directors of Skyland Petroleum Holdings Limited, Ms Elizabeth Landles and Mr Mark Sarssam (also formerly executive directors of the Company), and the former Chief Financial Officer of the Company, Ms Denise Lay. The Company has issued a statement of claim in the Supreme Court of New South Wales against these persons, which claims include allegations of breach of duties owed by directors and officers and allegations as to failure to maintain accurate books and records. The Company is continuing to investigate the actions of these persons and other persons in relations to entities within the Skyland Group.

In addition, the Company’s wholly owned subsidiary Skyland Petroleum Pty Limited has entered into various Deeds of Release agreements with its largest creditors, of which none are substantial shareholders of the Company. The execution of these agreements will release Skyland Petroleum Pty Limited from liabilities arising out of contractual arrangements entered into by previous executive directors of the Company, including its former Chairman of the Board and Managing Director Dr. David Robson.

A Placement of AUD 500,000 gross (before placement fee) has been made at USD0.01 (AUD0.013) per share, resulting in the issue of 38,461,538 shares (and CDIs thereto) and will be used by the Company for working capital purposes. This is the first step towards the rebuilding and reorganization of the Company in light of the preliminary results of the internal review. The Company will then look to focus on its projects, including potential new opportunities.

Skyland Petroleum Group Limited and its existing board will continue to provide continuous disclosure on its restructuring plans and other matters.

For more information please contact:

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