30th May 2017

TP/15 JVOA Executed – Xanadu-1 to be drilled in H2

- **Transerv Energy Ltd (ASX: TSV), Norwest Energy Limited (ASX: NWE), 3C Group IC Limited and Triangle Energy (Global) Limited have executed the TP/15 Joint Venture Operating Agreement.**
- **Transerv will contribute 20% of the costs of Xanadu-1 to earn a 15% working interest in Xanadu-1 and TP/15.**
- **Xanadu Prospect has the potential to contain an un-risked recoverable resource of 160 MMbbls.**
- **Letter of Intent for Drilling Rig Services issued to Enerdrill Pty Ltd.**
- **Onshore drilling planned for H2 2017 with expected net cost to Transerv of A$1.5 million.**

Transerv Energy Limited (ASX: TSV) ("Transerv" or "the Company") is pleased to announced that the TP/15 Joint Venture has been formalised following execution of the Joint Venture Operating Agreement. Under the Joint Venture, Transerv will commit 20% of the costs of Xanadu-1 to earn a 15% working interest. 3C Group IC Limited and Triangle Energy (Global) Limited will each contribute 40% of the costs to each earn a 30% working interest, while Operator, Norwest Energy, will be free carried for a 25% interest.

TP/15 is located near Dongara in the offshore northern Perth Basin, Western Australia. The Xanadu prospect is located at the southern end of TP15 (see map), and has the potential to hold an un-risked recoverable resource of 160 MMbbls and will now be drilled in H2 2017, subject to regulatory approvals.

Xanadu-1 will target Permian sands from a depth of approximately 800 metres. Near-shore sands of the Dongara Sandstone represent the primary target, with secondary targets in the fluvio-deltaic Irwin River Coal Measures and the regressive marine sands of the High Cliff Sandstone.

A Letter of Intent (LOI) has been signed with Enerdrill Pty Ltd to use Rig 3 for the drilling of Xanadu-1. Enerdrill Rig 3 is currently on location to drill two wells on the AWE-operated Waitsia field. Mobilisation to the Xanadu location will commence following completion of the AWE drilling programme, subject to Department of Mines and Petroleum regulatory approvals being granted to allow Norwest to conduct drilling operations at the Xanadu-1 location.

Managing Director, David Messina stated "*As part of the shift to a diversified portfolio, shareholders now have exposure to oil & gas production from the Point Loma Joint Venture coupled with exploration upside potential at Xanadu-1".*

"With the recent finalization of both Xanadu and our Canadian Joint Venture Transerv will be participating in a minimum of four new wells this year which will provide a solid base for further growth into 2018."

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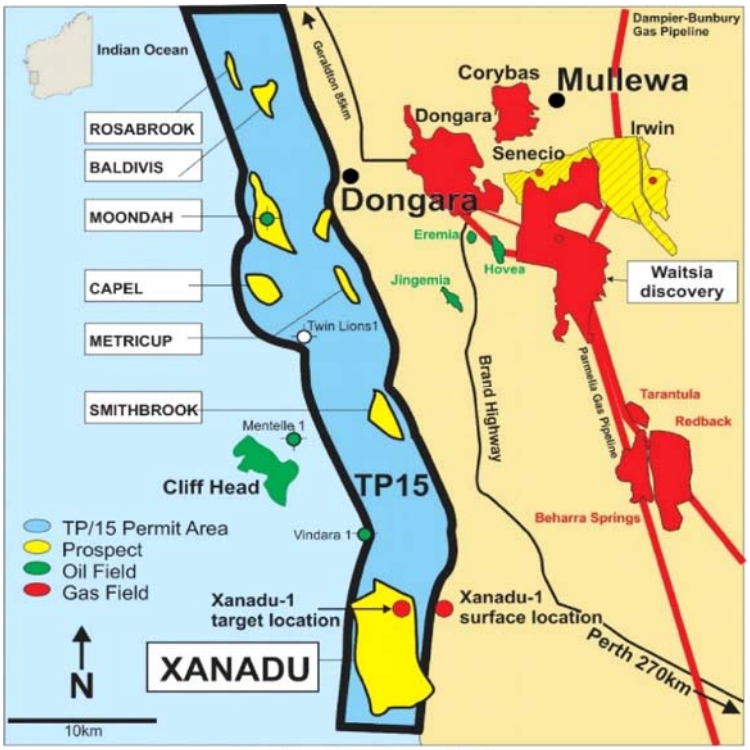

Location of Xanadu-1 and TP15

Unrisked Prospective Recoverable resources

Unrisked recoverable oil volumes have been estimated deterministically and are summarised in Table 1, a 50% recovery factor has been assumed.

Table 1 - Xanadu Prospect Volumetrics

Un-risked Prospective Resource: Recoverable Volumes Oil (mmstb)[1]			
Reservoir	Low Estimate	Best Estimate	High Estimate
Dongara Sandstone	3	12	22
Irwin River Coal Measures	13	88	159
High Cliff Sandstone	29	60	256
Total	45	160	437

Norwest Energy Limited's (NWE) assessment of the chance of discovery and chance of development associated with the Xanudu prospect are provided in Table 2.

Table 2 - Reservoir Chance of Success2

Reservoir	Chance of Success
Dongara Sandstone	14%
Irwin River Coal Measures	13%
High Cliff Sandstone	6%

[1] Norwest Referenced Data: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

[2] Refer Norwest announcement released to ASX on 29/10/2014.

About Transerv Energy

Transerv Energy Limited (ASX:TSV) is an ASX-listed energy producer and explorer with assets in Canada and Australia.

In Canada, the Company holds a 20% working interest in Point Loma Resources Limited's production assets and associated facilities in greater Paddle River Alberta Canada, via a joint venture with TSXV-listed Point Loma Resources Limited. There is well-established production within the greater Paddle River region with existing gas processing facilities and transport pipelines into markets. Transerv's aim for the brownfields greater Paddle River area is to significantly increase oil and gas production through the workover and tie in of behind pipe reserves and horizontal development drilling.

In Western Australia, Transerv has agreed to fund 20% of the Xanadu-1 exploration well to earn 15% of the Xanadu prospect and TP15. The Joint Venture with permit owner Norwest Energy, Triangle Energy Group and 3C Group plans to drill Xanadu-1 inH2-2017.

Through Latent Petroleum, Transerv holds a majority interest (57%) in the Warro Gas Project approximately 200 kilometres north of Perth. Aluminium company Alcoa of Australia is Latent's joint venture partner holding the remaining 43% project interest. The farm-in program includes a drilling program and seismic surveys that could see Alcoa earn a total 65% interest with Transerv retaining a 35% interest.

ASX Code:	**TSV**	**Market Capitalisation:**	**A$8.4m**
Issued Shares:	**835m**	**Cash (as at 31 March 2017):**	**A$9.6m**

Competent Person

The information on the Xanadu prospect is based on information compiled by Mr. Dean Powell of Powell Seismic Services. Mr. Powell holds a Bachelor Degree of Applied Science (Physics) and is a member of the Society of Exploration Geophysicists. He has over 40 years of experience in petroleum exploration.

Mr. Powell has consented in writing to the inclusion of the information stated in the form and context in which it appears.