

RAVEN ENERGY LIMITED

3 January 2018

SALE OF BOTSWANA ASSETS

Raven Energy Limited (**Company**), formerly Magnum Gas & Power Limited, advises that further to the Company's announcement of 20 October 2017 regarding the sale of a number of its Botswana assets, its Botswana farm-in partner, Strata-X Energy Limited (ASX: SXA) has elected to exercise its rights of pre-emption under the farm-in agreement (**Farm-in Agreement**).

Following the Company's announcement of 20 October 2017 regarding the proposed sale of its 25% shareholding in Rhino Energy (CBM) Pty Ltd (**Rhino**), the Botswana company which holds prospecting licences 352/2008 and 353/2008 (**Serowe Region Licences**), the Company entered discussions with SXA regarding whether SXA would exercise its right of pre-emption under the Farm-in Agreement.

The Company has now received notice that SXA has elected to pre-empt the sale of the Company's interest in Rhino. Accordingly, the Company and SXA have agreed that the Company will sell its 25% shareholding in Rhino to SXA on the following terms (**Transaction**):

- SXA must pay an immediate deposit of A\$25,000 to the Company;
- upon completion of the sale and purchase agreement (**SPA**) (**Completion**), SXA will pay to the Company A\$125,000 in cash and grant a 3.5% overriding royalty interest over the Serowe Region Licences net to the Company's 25% interest;
- within 2 months of Completion, SXA will pay to the Company a further A\$200,000; and
- within 4.5 months of Completion, SXA will pay to the Company a further A\$200,000.

The SPA will also include a number of terms relating to warranties, covenants and conditions as are customary for such a sale agreement. The Company expects that the SPA will be finalized and executed by the end of February 2018.

The Company looks forward to updating the market as the Transaction progresses.

Yours faithfully,



Kar Chua
Company Secretary

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