

Challenger undertakes private placement

PERTH: Unconventional gas explorer Challenger Energy Limited (ASX code: CEL, CELO) is pleased to announce it has received commitments to undertake a private placement to raise \$1.2 million before associated costs.

This capital raising will be undertaken via the placement of 20 million new fully paid ordinary shares at an issue price of 6 cents (\$0.06) per share.

The shares will be placed to sophisticated investors, the majority of whom are existing shareholders of the Company, pursuant to Chapter 7 of ASX Listing Rules.

Challenger Managing Director Robert Willes said: "This commitment of placement funds will support the Company's activities as it progresses through the permit application process in South Africa over the coming months.

"It is a further strong vote of confidence in Challenger and the shale gas potential within its Karoo Basin acreage."

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CHALLENGER ENERGY (ASX code: CEL, CELO) is focused on the fast-emerging, world-scale shale gas province in South Africa's Karoo Basin. The Karoo is strategic, and central to the South African Government's agenda, given the country's power crisis and need for economic growth, jobs and infrastructure development. Through its South African subsidiary, Bundu Gas and Oil Exploration Pty Ltd, Challenger was first to recognise this opportunity and to apply for exploration rights in the Karoo - and has since been followed by Shell and Falcon Oil and Gas, which has brought Chevron in as a joint venture partner.