

OGI GROUP LTD ASX / MEDIA ANNOUNCEMENT

OGI WILL PROCEED WITH ADDITIONAL \$3.5M CAPITAL RAISING TO PROGRESS ITS DIAMOND AND GRAPHITE PROJECTS IN MOZAMBIQUE

- OGI will proceed with \$3.5m raising at 20c per share
- Prospectus offer will be underwritten up to \$1.05m
- Existing convertible note holders will convert \$460,000 in debt to equity

11 December 2014: OGI Group Limited (OGI, the Company) is pleased to announce that, following its recently successful \$6m equity loan issue, the Company will lodge a prospectus to proceed with its proposed \$3.5m issue at 20 cents per share (subject to such issue receiving shareholder approval), with an underwriting for up to \$1.05m. The prospectus will provide existing shareholders with an opportunity to increase their holdings at the same price as the equity loan offer. In addition, existing convertible note holders have agreed to convert \$460,000 in debt to equity leaving a balance of \$250,000 in debt to be repaid.

With the \$6m equity raising, the \$3.5m prospectus and the recently announced US\$575,000 to be obtained from the sale of the US oil and gas assets, the Company will be well funded and is excited about moving forward with its recently acquired graphite and diamond assets in Mozambique.



Rotary Pan being loaded for Delivery

The Company has commenced moving key equipment to location to commence the Save River Diamond mining Project. The trial mining of 100,000 tonnes is expected to commence in late December 2014.

Planning has commenced for the airborne electromagnetic survey, on the Balama Graphite Project. This follows from the highly successful initial field work and sampling conducted recently. Initial results indicated graphite mineralisation from 9% to 14% Total Graphitic Content (TGC), with one test hole on 5873L intersecting 56m continuous graphite with up to 14% TGC. The Graphite quality and potential is well established in this region with Triton Minerals recently upgrading its resource statement to 1.457 Million tonnes at an average grade of 10.7% TGC and 0.27% Vanadium Pentoxide (V2O5), classified Inferred or Indicated Resources.

In addition, Syrah Resources (ASX: SYR) has commenced pre- construction works ahead of the wet season at its 100% owned Balama Graphite Project in Mozambique.

COMPANY INFORMATION

OGI Group Ltd

ABN 34 090 074 785

COMPANY DIRECTORS

Chris Ritchie – Exec. Director

Ian Daymond - Director

Mark Freeman – Director

MANAGEMENT

Chris Ritchie – CFO / Co Sec

STOCK EXCHANGE LISTING

Australian Stock Exchange

ASX Code: OGI

Current Shares on Issue:

483,856,094

Market Capitalization as at

10 December 2014 based on a
share price of \$0.01 per share:

AUD \$4.8 million

CURRENT PROJECTS

Diamonds

- Save River Project

- Sese Project

Graphite

- Balama Project

Oil & Gas

- Sugar Valley #1

www.ggpl.com.au

This is in anticipation of the imminent completion of the Balama Feasibility study (expected early 2015) and highlights the confidence the new Board has in the economic viability of the project.

OGI's Executive Director, Chris Ritchie, commented: "The overwhelming support we have received for the recent \$6m equity loan issue has been a deciding factor in proceeding with the prospectus to raise \$3.5m. This prospectus provides our existing shareholders with an opportunity to increase their holdings at the same price as the recently completed equity loan offer."

"The underwriting commitment is also a solid endorsement of the Company's diamond and graphite tenement packages and the additional funds will provide the Company with the financial flexibility to accelerate graphite and diamond exploration and mining in Mozambique."

The Notice of Meeting for the Extraordinary General Meeting is proposed to be lodged this coming week for the Meeting to be held in January 2015.

- ENDS -

For further information contact:

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