**ASX ANNOUNCEMENT**

15 January 2015

# HYDROGEOLOGICAL FLOW TEST RESULTS INDICATE HIGHER PRODUCTION FLOW RATES

## Highlights:

- **Positive well yields were observed during the construction of TUR110-DO2 with estimated flows in the order of up to 150 L/min.**
- **Production flow rates of 48 L/min. to be incorporated into the well field design vs. 38 L/min. assumed in the Preliminary Economic Assessment.**
- **Extraction and re-injection of groundwater from TUR110-DO2 and TUR101-DO1 respectively achieved near 1:1 ratio.**
- **Slug test results confirm low permeability of the overlying and confining clay horizon.**

Anatolia Energy Limited (the "Company" or "Anatolia") is pleased to announce that it has received very encouraging results from hydrogeological test work at its flagship Temrezli Uranium Project. One deep and two shallow monitoring wells were drilled at Site B (refer Figure 1). The program was planned by HydroSolutions, who have considerable experience in ground water conditions relating to In Situ Recovery (ISR) uranium operations.

The hydrological tests were to further characterise the hydrostratigraphic units and designed to:

- Confirm the high water flows seen previously from Lens 1;
- Assess the hydraulic response of Lens 1 to extraction and injection rates projected for the in-situ (ISR) mining project;
- Refine well conditioning completion techniques to local aquifer conditions; and
- Evaluate the permeability of the overlying and confining clay unit for inclusion in the Environmental Impact Assessment.

Critical field observations collected during the programme were:

- During conditioning of TUR110-DO2 air-lifted water flows were estimated to be similar to the 150 litres per minute observed in the nearby well TUR101-DO1, confirming the lateral extent of the high permeability in Lens 1. Anatolia estimates that Lens 1 makes up almost 30% of the resource;
- The results of the extraction and injection tests from TUR101-DO1 and TUR110-DO2 indicate better hydraulic response than initially estimated in the well field planning model for Lens 1;
- There was sufficient lateral permeability of the uranium ore-bearing aquifer (Lens 1) to allow all the ground water extracted from TUR110-DO2 to be re-injected into TUR101-DO1 under unpressurised conditions ;and

- Slug test work confirmed the low permeability of the overlying and confining clay unit.

Data collected from the hydrologic tests will be used to further the conceptual hydrogeological model of the deposit and to redevelop numerical models being utilised by Tetra Tech for detailed well field planning. The hydrogeological work represents some of the final components to the Temrezli PFS, which the Company expects to deliver in the coming weeks.

The Company's Interim CEO & MD, Mr Paul Cronin said:

*"Confirmation that we have better water flows in our largest mineralised lens than currently used in our well field planning model gives us every confidence that we will develop a more robust and representative hydrogeological model for the Temrezli deposit.*

*It is interesting to note that we now believe that difference in well performance relates to well development & conditioning techniques as we are seeing better well performance each time we pump a well. Clearly well development will be a critical step in constructing the well patterns in order to maximize injection rates, and we will be incorporating these successful techniques into our Standard Operating Procedures.*

*These most recent hydrological results, coupled with the improved metallurgical recoveries will result in a more optimal well field design, and have a significant positive impact on well field operating costs."*

**Drilling**

Hydrogeological drilling was undertaken in the NE where the deposit is characterised by the development of multiple stacked lenses within a predominantly sandstone sequence up to 110 m thick. All holes were vertical and drilled using a multi-purpose rig with a mud programme and PDC bit diameters between 125mm and 250mm, with returned rock chips logged for lithology, grain size and oxidation/reduction boundaries. All holes were logged in open holes for gamma, Self Potential (SP), and Single Point Resistivity (SPR).

At Site B two shallow wells and one deep well were drilled (refer Figure 1).

**Table 1 Drill Hole Information**

| Hole ID | Easting | Northing | RL | Total Depth | Grid System | Pick-Up |
|---|---|---|---|---|---|---|
| TUR110-D02 | 685194 | 4401648 | 1121 | 182 | ED50 Zone 36 | DGPS |
| TUR111-S03 | 685194 | 4401659 | 1121 | 40 | ED50 Zone 36 | DGPS |
| TUR112-S04 | 685265 | 4401574 | 1123 | 40 | ED50 Zone 36 | DGPS |

ENDS

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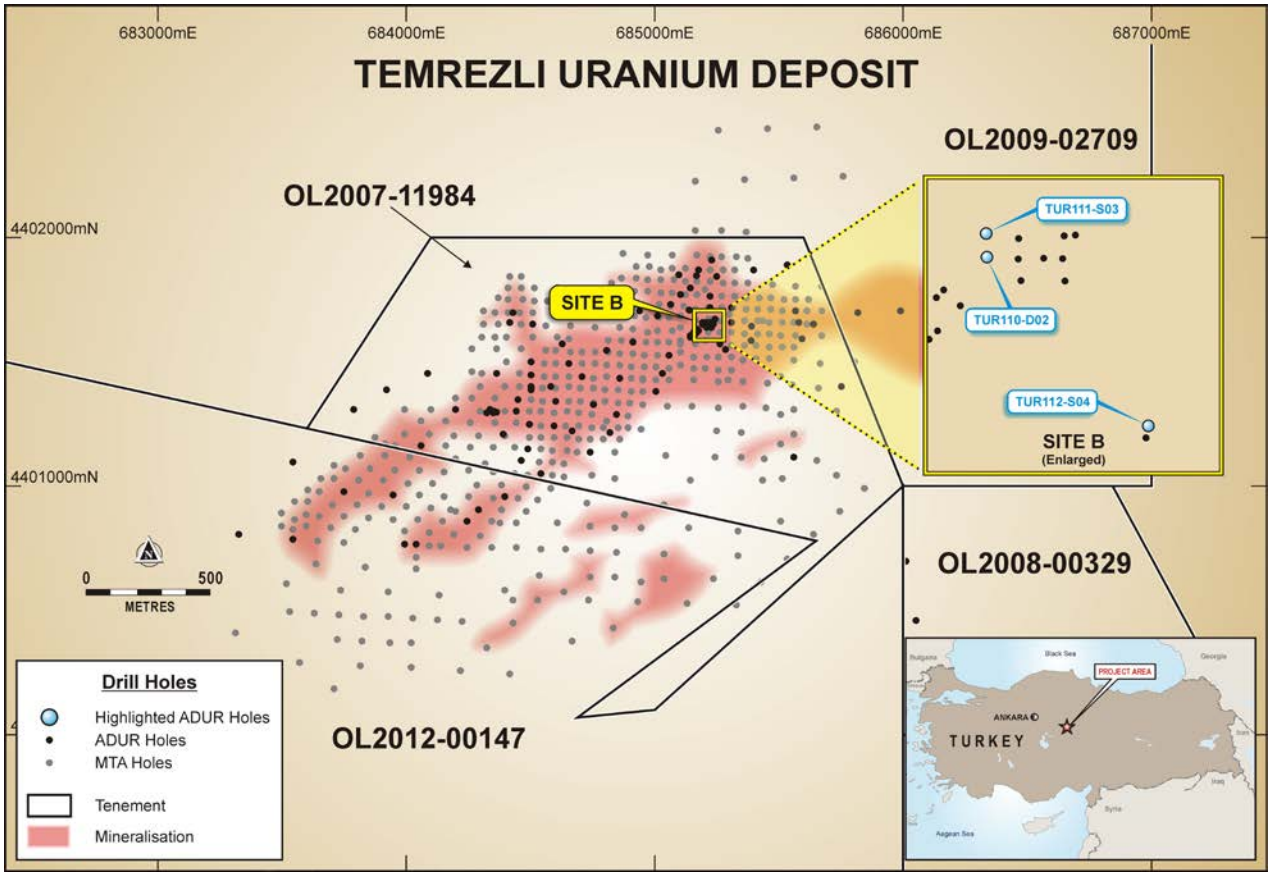
**Figure 1:** Plan showing Location of Recent Hydrogeological Holes




*The information in this release which relates to Hydrogeological Results includes information compiled by Mr Errol Lawrence who is a director of HydroSolutions- of Denver Colorado, USA. Mr Lawrence is a Professional Hydrologist in the State of Colorado and is a licensed geologist in the States of Wyoming and Texas. Mr Lawrence has over 30 years experience as a geologist and hydrogeologist and has extensive direct experience with similar types of deposits and in the preparation of hydrogeological analyses, and sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lawrence consents to inclusion in this release of the matters based on their information in the form and context in which it appears.*