

27 May 2015

LEGAL PROCEEDINGS

Further to the announcement made 16 October 2014 and 11 December 2014, Cauldron Energy Limited (**ASX: CXU**) (**Cauldron** or the **Company**) is pleased to advise that on 27 May 2015 the Supreme Court of Western Australia made orders with the effect that:

- the action by Beijing Joseph Investment Ltd, Joseph Investment International Limited and Guangzhou City Guangrong Investment and Management Co Limited (the **Plaintiffs**) against Cauldron (the **Proceedings**) be discontinued;
- Cauldron have the ability to counterclaim for unpaid subscription sums in the amount of \$3 million plus damages, interest and costs against the Plaintiffs without the delay of requiring service overseas;
- the injunctive orders previously made against Cauldron be discharged; and
- the Plaintiffs pay Cauldron's costs to 25 March 2015, including all reserved costs.

Yours faithfully,
Cauldron Energy Limited

ABN 22 102 912 783

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Leederville WA 6007

PO Box 1385, West
Leederville WA 6901

ASX code: CXU

251,104,266 shares
60,050,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Judy Li
Non-executive Director

Catherine Grant
Company Secretary