

ASX RELEASE

Tellus Resources Ltd is an Australian-based oil, gas and mineral exploration company with licences in Utah, Madagascar, South Australia, Queensland and New South Wales.

Directors:

Robert Kennedy (*Chairman*)
Carl Dorsch (*Managing Director*)
Neil Young (*Non-Executive Director*)

Issued Shares:

298,848,295 ordinary shares

Tellus Resources Ltd

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RIGHTS ISSUE SHORTFALL NOTICE

Tellus Resources Ltd ("Tellus" or the "Company"), advises that the recent fully underwritten 3 for 2 renounceable pro-rata rights issue ("Rights Issue") at an issue price of \$0.002 per share, closed on 4 February 2015. The Board advises that, including additional shares applied for, shareholders subscribed for a total of 196,360,780 shares totalling approximately \$393,000. This comprised 110,975,231 entitlement shares and 85,385,549 of additionally subscribed shares.

The maximum number of shares under the issue was 448,272,815, resulting in a shortfall of 251,912,035 shares. The Rights Issue is fully underwritten by Wentworth Global Capital Pty Limited who is presently attending to placing the shortfall. Upon completion of the Rights Issue, the total funds raised will be approximately \$897,000 before costs.

The number of shares subscribed as referred to above may be reduced if there are any dishonoured transfers in the funds banked.

The Tellus Board would like to express their thanks for the support provided by participants in the capital raising.