



18 February 2015

Market Announcements Office
ASX Limited

Government Approval Received for Sale of 50% Interest in PPL 269

New Guinea Energy Limited (**NGE**) is pleased to advise shareholders that its wholly owned subsidiary Kirkland Limited (**Kirkland**), today received notification that the final condition precedent for the sale of its 50% interest in Petroleum Prospecting Licence (**PPL**) 269 to Barracuda Limited - a subsidiary of Santos Limited (**STO**), has been met. The Minister for Petroleum and Energy has advised his approval of the Instrument of Transfer of the 50% from Kirkland to STO.

Under the terms of the sale and purchase agreement, once Completion has taken place, STO will acquire Kirkland's 50% participating interest in PPL 269 in exchange for a total consideration of:

- payment of US\$32 million cash on Completion;
- payment of US\$2 million cash if a Petroleum Retention Licence (**PRL**) is granted over any area of PPL269; and
- payment of a further US\$6 million cash if a Petroleum Development Licence (**PDL**) is granted over any area of PPL269. (However, if a PDL is granted prior to a PRL, a one off payment of US\$8 million cash will be payable instead).

Shareholders will be advised when Completion of the sale of Kirkland's 50% interest has occurred.

Further, NGE would like to advise shareholders that NGE has received notification that the Minister for Petroleum and Energy has not granted NGE the extension of its PPL 265 licence, which was applied for in August 2012.

Should you have any queries, please contact Lucy Rowe, Company Secretary on +61 2 9252 0010.

Lucy Rowe
Company Secretary

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