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ASX / MEDIA RELEASE

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## **COMPANY UPDATE**

As announced on 4<sup>th</sup> May 2015, Raya Group Limited (ASX:RYG) ("**Raya**" or "**the Company**") had previously executed a Term Sheet with Afton Energy Pty Ltd (Afton) for the purpose of combining Raya's Oklahoma assets with Afton's Texas assets to form a single focussed oil and gas company.

Following the signing of the Term Sheet both parties have collectively worked together to prepare a Share Sale Agreement (SSA) that could provide the respective needs of each party during the 30 day due diligence period.

A number of challenges were identified during the period with each party entering negotiations seeking favourable outcomes respectively. Given the difficulty in reaching all objectives and finalising the Share Sale Agreement, Raya and Afton have mutually agreed to terminate and end the Term Sheet effective immediately, forgoing any requirements to enter into a Share Sale Agreement.

Commenting on the termination of agreement, Raya's chairman Mr Athan Lekkas stated: "*Raya wishes to thank Afton for its collective efforts during this period in its attempts to reach an outcome that was suitable for both parties and wishes them success in any future ventures*"

Raya will now commence formal discussions with previous enquiries regarding its Oklahoma assets and update the market in due course.

**By Order of the Board**