



Greenvale Energy NL Quarterly Activities Report June 2015

ASX Release

28 July 2015

Greenvale Energy NL (ASX: GRV), the strategic oil shale company with assets in Queensland, Australia is pleased to provide the following update on its activities for the June 2015 quarter ("the Quarter") and since;

Highlights:

- **Offer from Queensland Energy Resources ("QER") received for the Lowmead and Nagoorin tenements**
- **Rights Issue postponed.**
- **Appraisal of the development of the Alpha Deposit undertaken.**

Offer from QER

The Company received an Offer from its Joint Venture partner QER for the sum of \$4 million payable fully in cash for the Company's interest in the Lowmead and Nagoorin tenements. The Alpha deposit does not form part of the offer and is to be retained by GRV.

The Sale and Purchase Agreement (the "SPA") for this transaction has been executed subject to shareholder approval. The highlights of the offer, is as follows:

- Subject to shareholder approval
- Usual legal representations concerning title and ownership; and
- Board approvals; and
- QER satisfying any requirements of the Foreign Acquisitions and Takeover requirements being satisfied.

The Board considers that given that the proposal is from its Joint Venture Partner and that the implied value in the price set out in the proposal is higher than the average traded GRV share price, that it is important for all shareholders to approve the proposal. As such a Notice of Meeting shall be distributed shortly to all shareholders, which will include the merits and conditions of the transaction. Completion for the transaction is scheduled for late August/September 2015.

The transaction terms include a deposit of \$400,000 which has been received by the Company.

Strategic Direction

As a result of this offer, the Board and Management of the Company are currently assessing the future direction of GRV. This assessment will also include the strategic options for the development of the Alpha Deposit MDL330, as well as the new acreage which has been granted at Madre North, and which has been applied for at Madre South.

UK OFFICE

T +44 208 213 5856 | **A** 28 Bolton Street, London, United Kingdom, W1J 8BP

REGISTERED OFFICE

T +61 8 9389 3120 | **A** Suite 25, 145 Stirling Hwy, Nedlands, WA, Australia 6009 | **P** PO Box 3122, Nedlands, WA, Australia, 6009 | **E** admin@greenvaleenergy.com.au

Shareholder Value

No decision has yet been made on the use of funds from the sale process, however the Company is exploring opportunities to deliver increased shareholder value through company and asset level transactions where all opportunities including business combinations, and asset acquisitions will all be actively considered.

Funding

As a result of the pending sale to QER and the receipt of the \$400,000 deposit, the board has decided to cancel the previously intended rights issue. Moreover, the board considers that with the deposit, and including as part of the sale to QER a delay in payments for its work, that the Company will have sufficient funds in which to deal with its obligations.

Convertible Notes

The Board also intends to approach the Convertible Noteholders with a view of repaying their loans. The immediate funding will be via loans from Directors, which will be repaid out of the sale proceeds from QER, assuming that the proposed transaction is approved.

Technology

The Company has continued its activities to identify and assess suitable technologies to maximise the value of its in-ground shale assets.

Tenements

Lowmead and Nagoorin

The Lowmead and Nagoorin tenement areas remained on a care and maintenance during the Quarter. Delayed groundwater surveys were completed in April.

Updated Competent Person Statements have been produced for both Lowmead and Nagoorin to update reserve estimates for both in line with the most recent SPE regulations and these have been published on the Company's website.

The Nagoorin EPM 7721 is current to 21 March 2015. The area of the EPM encompasses MDL 234. Tenement renewal application lodged with DNRM for further 2 years commencing 22 March 2015. The value of retaining the remaining sub-blocks of EPM 7721 outside the MDL 234 boundary will be assessed.

MDL 234 was granted in late October 2012 for a 5-year period commencing 1 November 2012. The MDL contains the Nagoorin resource within its boundaries. The tenement is subject to the Queensland Oil Shale policy released by the Queensland Government on 14 February 2013. Under the policy, development of an oil shale deposit by a "proposed oil shale technology unproven in Queensland, (it) will be assessed through a trial phase to ascertain whether the technology is meeting environmental standards. If this trial is successful, a staged approach towards commercialisation will be adopted." The normal project EIS process will still be required where an oil shale technology has been proven in Queensland.

Lowmead MDL 188 is current to 30 September 2011. In accordance with Section 197 (3) of the Mineral Resources Act 1989 a renewal for a 5-year term was lodged with the DME on 22 March 2011. The application is still with the Department. The MDL remains in force until the application is finalised by the Department.

Alpha

MDL330 Alpha was renewed through to January 2017. The Company have started to put together a work program for this asset, with a view to reassessing the reserve base and working toward a full Competent Persons Report.

The Company has one EPM application with the DNRM, Madre South, which was lodged on the 8th October 2014 and remains under assessment with DNRM. Madre North was granted for a five-year period commencing in February 2015.

The Company is now preparing a work program for the three tenement areas and continues to assess the suitability for the shale existing in the Alpha deposit with a view to fully assessing whether the shale can be used as an alternate to fuel oil in the processing of nickel.

Appendix A – Statement – SPE-PRMS Petroleum Resource Estimation – Nagoorin and Lowmead Projects

STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - NAGOORIN

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 53 pre-collared cored and auger sample drill holes drilled to a maximum depth of 687 metres below surface for an aggregate 10,567 metres.
- The maximum depth for the estimate is 502 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 3,716 core samples representing approximately 7,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (LTOM) has been applied.
- The resource is contained within an elongate surface area of 18 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Nagoorin deposit in Table 1.

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	67%	211	634	1497
QER	33%	104	312	737
TOTAL	100%	315	946	2,234

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Nagoorin shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Nagoorin, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Nagoorin oil shale to be processed in current retorting technology or other technology under development.

Competent Person Statement

The petroleum resource estimates for EPM 7721 and MDL 234, Nagoorin Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - LOWMEAD

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 23 pre-collared cored and auger, sample drill holes drilled to a maximum depth of 520 metres below surface for an aggregate 4,500 metres.
- The maximum depth for the estimate is 400 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 1,233 core samples representing approximately 2,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (50LT0M) has been applied.
- The resource is contained within an elongate surface area of 23 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Lowmead deposit in Table 1.

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	50%	-	100	335
QER	50%	-	100	335
TOTAL	100%	-	201	671

The level of investigation at Lowmead is at stage where the drill hole density does not support the estimation of 1C resources.

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Lowmead shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Lowmead, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Lowmead oil shale to be processed in current retorting technology or technology under development.

Competent Person Statement

The petroleum resource estimates for MDL 188, Lowmead Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

Appendix B – Tenement Schedule

Tenement	Interest
Lowmead (MDL 188)	50%
Nagoorin (MDL 234) and (EPM 7721)	67%
Alpha (MDL 330)	99.99%
Madre North (EPM25796) Application.	100%
Madre South (EPM 25792)	100%

For further information, please contact:

Stephen Baird
Executive Director
Ph: +44 7917766980
E: stephen.baird@greenvaleenergy.com.au

Winton Willesee
Company Secretary
Ph: +61 8 9389 3120
E: winton@azc.com.au