

23 September 2015

DEBT RECOVERY UPDATE

Key Points:

- **Post-dated cheques amounting to 20.8 billion Rupiah (~AUD\$2.08M) provided by Nugroho Suksmanto were not honoured by 31 August 2015**
- **Orpheus is planning to execute pledge security over 10.5% shares of AGP provided by Suksmanto's family as part of the Settlement Agreement**
- **Advanced negotiations with three parties to acquire the AGP equity for Orpheus to be paid the outstanding 70 billion Rupiah (~AUD\$7M)**

Orpheus Energy ("**Orpheus**" or "**the Company**") announces that it has presented post-dated cheques provided by Nugroho Suksmanto, amounting to 20.8 billion Rupiah (~AUD\$2.08M) to the bank in Indonesia, on three separate occasions, five working days apart, as required by Indonesian law, and on each presentation the bank advised there were insufficient funds to honour the cheques.

As announced on 30 July 2015, Orpheus had agreed to a Settlement Agreement with Suksmanto, whereby Suksmanto was required to make a payment in the amount of 20.8 billion Rupiah (~AUD\$2.08M) by 31 August 2015. As the cheques were not able to be honoured, Suksmanto is in breach of the Settlement Agreement.

As also announced on 30 July 2015, as part of the Settlement Agreement, Orpheus was provided with additional security from Suksmanto's family (Noegroho Pranoto and Yohana Kurniastuti), in the form of a pledge agreement over 1,073 shares (equivalent to 7%) owned by Noegroho Pranoto in Indonesian property development company, PT Abadi Guna Papan ("**AGP**") and a pledge agreement over 578 shares (equivalent to 3.5%) owned by Yohana Kurniastuti in AGP ("**Shares Pledge Agreements**"). Among numerous developments, AGP owns the 28-storey office building where Orpheus's Jakarta office is located in the Mega Kuningan CBD area.

Given Suksmanto's breach of the Settlement Agreement, Orpheus, as the pledgee under the Shares Pledge Agreements is entitled to sell the pledged shares, on behalf of the pledgors based on powers of attorney to sell shares and consents to transfer issued by the pledgors, to recover the outstanding funds owed to Orpheus.

In this context, the Company has advanced negotiations with three separate parties to acquire the equity in AGP. One of the potential buyers is waiting on an independent valuation on two final properties in the AGP portfolio to proceed with the potential acquisition.

Orpheus will keep shareholders updated of progress.

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Disclaimer – Forward looking statements

This release may contain forward-looking statements. These statements are based upon management's current expectations, estimates, projections and beliefs in regards to future events in respect to Orpheus's business, the industry in which it operates. These forward looking statements are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subjected to risk and uncertainties that might be out of control of Orpheus Energy Limited and may cause actual results to differ from the release. Orpheus Energy Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.