



Level 5, 56 Pitt Street
Sydney NSW 2000

T: +61 2 8823 3179
F: +61 2 8823 3188

ASX ANNOUNCEMENT

20 November 2015

MUI Corporation Limited agrees to acquire Skyland Petroleum Group Limited

Summary

MUI Corporation Limited (ASX:MUI) (MUI or the Company) has signed a conditional term sheet to acquire 100% of Skyland Petroleum Group Limited (**SPG**) (the **Transaction**).

SPG identifies strategic opportunities for the development and operation of oil and gas projects predominantly in the former Soviet Union.

As part of the Transaction it is intended that MUI will seek shareholder approval to effect:

- a 50 to 1 share consolidation;
- a capital raising of AUD10 million under a prospectus.

The Transaction will result in a change in nature of the Company's activities and will require the Company to comply with Chapters 1 and 2 of the ASX Listing Rules including re-admission to the Official List of ASX (**Official List**).

Skyland Petroleum Group Limited

Overview

SPG is a exploration and production company that has an interest in, and is negotiating the acquisition of, a portfolio of oil and gas assets. Its website is www.skylandpetroleum.com.

SPG's primary geographical focus is on assets in the states of the former Soviet Union. In addition, where appropriate SPG will review, assess and acquire assets in other regions of the world that fit its investment parameters.

SPG is currently developing the following key opportunities:

1. **Tajikistan** – SPG has an Investment and Operating Agreement (**IOA**) with the Tajikistan State oil and gas company, Naftugaz, for the Kyzyl-Tumshuk (also known as the Surkhsimo) oil and gas field in the Vakhsh valley of South-East Tajikistan. This is a producing oil and gas field. The field was discovered in 1959. Current production from the field is 6-7 MM³/d (212 – 247 MCF/d) of gas and 30 – 38 bopd of oil. The main reservoir rock is the Bukhara Limestone of Paleocene age, and the source rock is the argillaceous limestone of the Eocene Suzak formation. In total, 44 wells have been drilled on the structure, although only three are currently in production. SPG intends to carry out rehabilitation and production enhancement activities on the field using more modern techniques and technologies.
2. **Georgia** - Block XI^G is located on the outskirts of the capital city Tbilisi, close to the producing oil fields of Samgori, Teleti and West Rustavi. SPG has agreed to acquire a 20% participating interest in the further development of exploration block XI^G under a production sharing contract pertaining to the XI^G block, with Georgia Oil and Gas Limited (“GOG”) as the Operator. Georgian Oil and Gas Corporation, a Georgian government entity also have a financed conversion right over 20% of the project. GOG has recently acquired a further 135 km of 2D seismic and over 500 km² of gravity survey over the area, and has commenced drilling the first well (Kumisi 2).

Personnel

SPG’s Executive Directors and Officers have significant experience in the international oil and gas industry and have operated in different regions, including Central Asia, Russian Far East, the Caucasus, other parts of Russia and Ukraine, Eastern Europe, UK North Sea, East Asia, North Africa and the Middle East.

SPG, which employs 22 people, is managed by the following senior personnel:

- Dr. David Robson (Chairman and Managing Director) - Dr. Robson is trained as a geologist, obtaining a First Class B.Sc. (Hons.) degree in Geology and a Ph.D in Geochemistry. He also holds an MBA from the University of Strathclyde. His career centers around operating oil and gas companies working on projects in Eastern Europe and the Commonwealth of Independent States since 1990, including Russia, Ukraine, Central Asia and the Caucasus. Previously he was employed in technical (exploration, operations, petroleum engineering), commercial and managerial positions within Britoil plc, Hamilton Oil (now BHP Petroleum) and Mobil. He was Managing Director, CEO and one of the founders of London listed JKC Oil and Gas plc, one of the founders of CanArgo Energy Corporation and more recently he was founder and Executive Chairman of Toronto/London listed

Tethys Petroleum Limited, an exploration and production company working in Kazakhstan, Tajikistan and Georgia.

- Mark Sarssam (Technical Director and Chief Operating Officer) – Mr Sarssam graduated from Imperial College in London with a Master's degree in Petroleum Engineering and has extensive knowledge of reservoir management, integrated field development, evaluation of reserves and optimisation of oil and gas production. He was responsible for petroleum development and new business development for Tethys Petroleum Limited, where Mr. Sarssam's efforts resulted in two deals (the farm out of Tajikistan exploration assets to China National Petroleum Corporation/Total, and negotiation for the sale of a 50% stake in Kazakhstan assets). Prior to his work at Tethys Petroleum Limited, Mr. Sarssam was the Head of Reservoir Development and New Ventures Advisor for Dragon Oil plc and held various senior roles at Shell.
- Elizabeth Landles (Administration Director, Corporate Secretary and Chief Administrative Officer) – Ms Landles holds an Advanced Diploma in Business Administration from the Institute of Business Administration and Management (an operating division of the Institute of Chartered Secretaries and Administrators in the UK). Before joining Skyland, Ms. Landles was Executive Director, Executive Vice President, Chief Administrative Officer and Corporate Secretary with Tethys Petroleum Limited from 2003 to 2014. During this time she was also Director and Corporate Secretary of the majority of Tethys Petroleum Limited's subsidiaries and was responsible for Human Resources and External Affairs. Prior to this role, Ms. Landles was Executive Vice President and Corporate Secretary of CanArgo Energy Corporation.

The Company will undertake the appropriate background checks on these and other individuals prior to any appointment as directors, in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Transaction

The key terms of the Transaction, which will be subject to shareholder approval, are as follows:

1. MUI will conduct a 50 to 1 consolidation of its existing issued capital. This will reduce the issued capital of MUI to approximately 73,877,160 fully paid ordinary shares (**Shares**);
2. MUI will issue up to 13,000,000 Shares (post-consolidation) at an issue price of AUD0.10 per Share for conversion of a convertible note previously issued by the Company (**Conversion Shares**);
3. MUI will acquire SPG via the issue of 798,647,010 Shares (post-consolidation) at an issue price of AUD0.10 per Share (**Acquisition Shares**);

4. MUI will seek to issue 100,000,000 Shares (post-consolidation) at an issue price of AUD0.10 per Share to raise AUD10,000,000 under a prospectus (**Capital Raising Shares**).

On completion of the Transaction MUI will change its name to “Skyland Petroleum Limited”. Additionally, the current Board of MUI, with the exception of Mr Martino, will resign and be replaced by new Board members nominated by SPG.

Conditions Precedent

Completion of the Transaction is subject to and conditional upon satisfaction of the following conditions by 15 January 2016 (or such other dates as agreed between the parties):

1. completion of due diligence investigations by both MUI and SPG;
2. receipt of consent from convertible noteholder to effect the proposed conversion or payout of MUI’s convertible note;
3. receipt from ASX of conditional re-listing approval on ASX;
4. execution of formal and detailed legally binding documents to effect the Transaction;
5. the parties obtaining all relevant approvals, including shareholder approval, board approval and any third party consents necessary to implement the Transaction; and
6. no government or regulatory intervention that would prevent completion of the Transaction.

Public offering and re-admission

Following approval by shareholders, MUI will issue a prospectus for the Capital Raising Shares. As the Company will be changing the nature and scale of its business, it will be required to apply for re-admission to the Official List of ASX (**Official List**). Whilst MUI is confident that it will satisfy the ASX Listing Rules requirements for re-admission by completing the Transaction, there is no guarantee that ASX will permit MUI to be re-admitted to the Official List.

Shareholder Meeting

To implement the Transaction, MUI will prepare a notice of meeting seeking shareholder approval for, among other things, the acquisition of SPG.

Shareholders will receive a notice of meeting setting out various resolutions and further information relating to the proposed Transaction (**Notice of Meeting**). A detailed explanatory statement will accompany the Notice of Meeting and will be distributed to all shareholders prior to the Meeting.

Indicative Capital Structure

The table below details the Company's current capital structure and its proposed indicative capital structure after the completion of the Transaction:

Securities	Current	Post Consolidation and Acquisition	
		Number	%
Shares on issue ¹	3,693,857,804	73,877,156	7.5
Conversion of Convertible Note	-	13,000,000	1.3
Acquisition Shares	-	798,647,010	81.0
Capital Raising	-	100,000,000	10.1
Total Equity Capital	3,693,857,804	985,524,166	100.0
Total Options on issue	50,000,000	1,000,000	
Fully diluted capital	3,743,857,804	986,524,166	

¹ Subject to rounding of individual holders

Shareholder Benefits

Completion of the Transaction will restructure the Company's issued capital and net asset base, providing working capital, a new board and business direction.

Indicative Timetable

The timetable for the acquisition of SPG and the re-listing of the Company on ASX will be advised to shareholders as soon as it is available.

The Board of MUI will continue to provide shareholders with updates regarding the Transaction in accordance with the rules prescribed by the ASX.

For and on behalf of the Board

Louisa Martino
Company Secretary