

PETRATHERM LIMITED

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APPOINTMENT OF MANAGING DIRECTOR AND SHARE PLACEMENT

ASX ANNOUNCEMENT

22 August 2016

Appointment of Managing Director

Petratherm Limited ('Petratherm' or the 'Company') is pleased to announce that Mr Andrew Haythorpe has been appointed as its Managing Director effective 22 August 2016, while Mr Terry Kallis has stepped down from that position. The Board wishes to record its gratitude and thanks to Terry Kallis for his untiring efforts and wishes him all the very best for the future.

Andrew is a highly experienced director and investor; and has been successful as an entrepreneur, investor and analyst. Andrew started his career as a geologist and then specialised as an energy and resources analyst and global equities fund manager.

Since 1999, Andrew has been involved in over A\$300m of mergers and acquisitions, and capital raisings in mining and technology. He has served as Managing Director of three companies; Chairman of six ASX listed companies and Non-Executive Director on several boards. He is currently Chairman of Wangle Technologies Ltd.

Andrew helped Michelago Resources Ltd become the top performing ASX company in 2003 and subsequently grew Crescent Gold Ltd from a junior explorer with a market cap of about \$10m, to a company with over 60,000 ozs per annum of gold production, \$120m cash in bank and a market cap of over \$240m.

Prior to that he was a Fund Manager and Analyst at Bankers Trust, managing the Global Energy and Resources Fund. Andrew gained his initial experience as an analyst at Suncorp and later County Natwest and Hartley Poynton where he later became a Director. Andrew holds an Honours Degree in Science and is a Member of the Australian Institute of Company Directors and a Fellow of the Australian Minerals Institute.

Andrew will be actively identifying new projects for the Company with an initial emphasis on energy and resource projects.

Detail of Andrew's remuneration and key contractual terms are included in Appendix 1.

Placement of Equity

To provide funding for projects, the Company has appointed Taylor Collison Limited ('Taylor Collison') as Lead Manager to undertake a share placement to raise approximately \$600,000 (the 'Placement'). The Placement is to be undertaken in two tranches, comprising approximately 200,000,000 fully paid ordinary shares at an issue price of \$0.003 per share. The placement shares will rank equally with the existing ordinary shares on issue. The first tranche will be conducted within the Company's existing placement capacity pursuant to Listing Rule 7.1 and 7.1A. The second tranche will be conducted with Shareholder approval following a general meeting of the Company. Detail of the Directors' participation in the Placement, subject to Shareholder approval, is included in Appendix 2.

Share Consolidation

Subsequent to the completion of the share placement, the Company will undertake a consolidation of its share capital on a 1 for 10 basis, subject to shareholder approval.

Issue of Options to Directors

The Company will seek shareholders' approval to issue share options to the Directors as a key component of their remuneration. Details of the options are included in Appendix 3.

Notice of Meeting

A Notice of Meeting and Explanatory Statement for the proposed Shareholder Meeting will be prepared and dispatched to shareholders as soon as practicable.

For further information please contact:

Simon O'Loughlin
Chairman
Tel: (08) 8111 4000

Donald Stephens
Non-Executive Director and Company Secretary
Tel: (08) 8133 5000

Appendix 1:

Summary of the Key Terms of the Consultancy Agreement between Petratherm and Mr Andrew Haythorpe

1. Commencement Date:

Petratherm will engage Mr Haythorpe in the position of Managing Director commencing on 22 August 2016.

2. Terms

Mr Haythorpe will be appointed for an ongoing term subject to termination by either party (see item 4 below).

3. Remuneration

Mr Haythorpe will be entitled to a consulting fee of \$15,000 (plus GST) per month and 4 weeks of annual leave per year.

4. Termination

Mr Haythorpe's employment may be terminated at any time on one (1) months' notice or payment in lieu of notice, for any reason, including if in the opinion of the Board his performance is unsatisfactory.

Appendix 2:

Summary of Directors' Participation in the Placement of Equity

Name	No. of Shares*
Andrew Haythorpe	55,000,000
Donald Stephens	10,000,000
Simon O'Loughlin	10,000,000

* the number of shares is on a pre-consolidation basis

Appendix 3:

Proposed Issue of Options to the Directors

Directors	No. of options*	Issue price	Exercise price	Expiry
Andrew Haythorpe (3 tranches)				
- Tranche No.1	1,000,000	-	\$0.05	3 years
- Tranche No.2	1,500,000	-	\$0.09	3 years
- Tranche No.3	2,000,000	-	\$0.12	3 years
Simon O'Loughlin	1,250,000	-	\$0.05	3 years
Donald Stephens	1,250,000	-	\$0.05	3 years

*the number of options is on a post-consolidation basis