

# CWH Resources Limited

ACN 009 230 111



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## Quarterly Activities Report: December quarter 2012

CWH Resources Limited(ASX: CWH) is pleased to present its quarterly activities report and cash flow statement for the period October through December 2012.

### Key points

- Negotiations for entry into a farm in agreement with Tangiers Petroleum Ltd (ASX:TPT) (**Tangiers**)
- Preparation for exploration of Queensland tenements
- Negotiations to acquire Peko tenements

### FOA with Tangiers

CWH has entered into non-binding heads of agreement with Tangiers in connection with an opportunity to farm in to exploration permits WA-442-P and NT/P-81 in the Bonaparte Basin located approximately 250km south-west of Darwin.

The non-binding heads contemplate entry into Definitive Agreements and operate until 31 May 2013, unless terminated earlier or superseded by entry into the contemplated Definitive Agreements.

Under the proposal CWH will fund \$35 million in exploration activities to earn a 70 per cent interest in blocks WA-442-P and NT/P-81. The funding is expected to fulfil the remaining Firm Work Program Commitments of seismic acquisition and drilling for the two permits. If fulfilled, the proposal will leave Tangiers with a 27 per cent stake in the joint venture and Ansbashall, an existing joint venture partner in the permits, with a 3 per cent stake, with CWH holding the remaining 70 per cent.

The key commercial terms, which will, should they be executed, be encapsulated in the Definitive Agreements are as follows:

1. Tangiers and CWH have agreed to form a joint venture for the exploration of the WA-442-P and NT/P81 Bonaparte Basin exploration permits.

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2. CWH will farm into the permits by agreeing to cover the first AUD \$35 million in exploration costs to earn a 70 per cent working interest.
  3. CWH will become operator of the Permits.
  4. Tangiers has agreed to form a new company, with representatives of both CWH and Tangiers, for the operation of the permits.
  5. Both Parties have agreed to proceed quickly to reach a Definitive Agreement on the farm out, which they hope to complete before 31 December 2012.

The transaction may require approval from CWH's shareholders and its completion is subject to entry into the Definitive Agreements, due diligence and any necessary government approvals.

Negotiation for entry into the Definitive Agreements is on foot.

## **Preparing For exploration activities in QLD**

CWH is planning to move from the planning phase with GEOS Mining Minerals Consultants into physical exploration of tenement EPM 180007 located northeast of Mt Isa in Northern Queensland by about the middle of 2013. CWH expects to appoint geological consultants and a drilling company for exploration of EPM 18007 shortly.

## **Negotiations to acquire Peko tenements**

On 19 November 2012 the Company announced that it had been informed by the vendor of the Peko tenements who CWH had been negotiating with that the vendor had accepted an alternative proposal from another party.

CWH understands that the other party has, to date, failed to complete on its proposal. Peko remains interested in acquiring the Peko tenements if appropriate commercial terms can be agreed.

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