

ASX Release

10 March 2014

**BLACK STAR PETROLEUM
LIMITED**

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Matthew Wood
Executive Chairman

E-mail

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For the latest news

www.blackstarpetroleum.com.au

Directors / Officers

Matthew Wood
Greg Wood
Brian McMaster
Tony Polglase

Issued Capital

99.1 million shares
95.3 million listed options

ASX Codes: BSP, BSPO

SHARE EXCHANGE AGREEMENT

The Board of Black Star Petroleum Limited ('BSP' or 'the Company') advises that it has requested the Australian Securities Exchange to lift the voluntary suspension on the Company's securities trading, effective immediately.

BSP, an exploration company focussed on the oil and gas sector, announces that it has entered into a Share Exchange Agreement (the '**Exchange Agreement**') with Global Resources Investment Trust Plc ('GRIT'). The Board of BSP believe that the transaction with GRIT, a company listed on the main market of the London Stock Exchange (the '**LSE**'), founded by a group of highly successful fund managers to focus exclusively on investing in the junior mining sector, will provide the Company with an important new strategic investor and will allow the Company to finance the next phase of its exploration programme at the Nebraska Oil Project. For more information on GRIT, please visit GRIT's website www.globalresourcesinvestments.com.

Under the Exchange Agreement:

- BSP has exchanged 15,000,000 new ordinary shares in the Company ('**Exchange Shares**') at a price of approximately GBP 0.08810 per Exchange Share. At present exchange rates this equates to approximately AUD 16.5 cents per share, being the price of the shares at the last close of trade;
- the Board of BSP has approved the allotment and issue of the Exchange Shares in consideration for the allotment to BSP of 1,321,440 ordinary shares of £1.00 each in GRIT ('**GRIT Shares**'). Based on GRIT's closing price on LSE on Friday of £1.00, the directors value this non-cash consideration equal to AUD \$2,433,075 (based on today's exchange rate of £1.00 = 1.84123 AUD);
- BSP intends to shortly dispose of the GRIT Shares and these funds it receives from the sale will allow the Company to finance the next phase of its exploration programme at the Nebraska Oil Project; and
- the Exchange Shares issued to GRIT represents approximately 13 per cent of the issued share capital of the Company as enlarged by the issue of the Exchange Shares.

BSP has capacity to issue the Exchange Shares to GRIT under Listing Rule 7.1 and Listing Rule 7.1A, without shareholder approval. The issue of the Exchange Shares will require a cleansing Prospectus, as required under section 708A(5) of the Corporations Act 2001. The Company will release the cleansing Prospectus over the next few days.

The attached Appendix 3B accounts for the issue and quotation of the Exchange Shares on the ASX.

Greg Wood
Chief Executive Officer
BLACK STAR PETROLEUM LIMITED

10 March 2014

Company Announcements Office
Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via e-lodgement**Information Required Under ASX Listing Rule 3.10.5A**

Further to the Appendix 3B released on 10 March 2014 for the issue of 15,000,000 fully paid ordinary shares, Black Star Petroleum Limited (**Company**) provides the information required under ASX Listing Rule 3.10.5A as follows:

a) Dilution to existing shareholders:

The dilutive effect of the Placement on existing shareholders is as follows:

Placement issue under Listing Rule 7.1 (14,865,000 shares)	13.03%
Placement issue under Listing Rule 7.1A (135,000 shares)	0.12%
Total Dilution as a result of the Placement	13.15%

Further details of the approximate percentage of the issued capital post the Placement held by the pre-placement shareholders and new shareholders are as follows:

Pre-placement security holders who did not participate in the placement	100%
Pre-placement security holders who did participate in the placement	0%
Participants in the placement who were not previously security holders	100%

- b) The Company issued shares under LR7.1A as it considered the Placement as the most efficient and expedient method for raising the funds required to finance the next phase of its exploration programme at the Nebraska Oil Project.
- c) No underwriting arrangements were in place for the placement, and
- d) The Company paid no fees under the placement.

Yours faithfully

Jonathan Hart
Company Secretary
Black Star Petroleum Limited

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Black Star Petroleum Limited

ABN

90 147 370 312

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 15,000,000 Ordinary Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Fully Paid Shares |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>The Board of BSP has approved the allotment and issue of 15,000,000 shares to GRIT in consideration for the allotment to BSP of 1,321,440 ordinary shares of £1.00 each in GRIT (GRIT Shares).</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to a subscription agreement between Global Resources Investment Trust Plc and BSP.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>26 November 2013.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>15,000,000</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil							
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil							
6f	Number of securities issued under an exception in rule 7.2	Nil							
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes. 10 March 2014, 15.26 cents. IRIS calculation.							
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	10 March 2014.							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1 – Nil Listing Rule 7.1A – 9,775,000							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	10 March 2014.							
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">80,670,000</td> <td>Ordinary Shares</td> </tr> <tr> <td style="text-align: center;">43,779,993</td> <td>Options exercisable at \$0.20 on or before 31 December 2017</td> </tr> </tbody> </table>		Number	+Class	80,670,000	Ordinary Shares	43,779,993	Options exercisable at \$0.20 on or before 31 December 2017
Number	+Class								
80,670,000	Ordinary Shares								
43,779,993	Options exercisable at \$0.20 on or before 31 December 2017								
		Number	+Class						

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	33,430,000 51,553,333	Ordinary Shares Options exercisable at \$0.20 on or before 31 December 2017
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the +securities will be offered	N/A	
14	+Class of +securities to which the offer relates	N/A	
15	+Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17	Policy for deciding entitlements in relation to fractions	N/A	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A	
19	Closing date for receipt of acceptances or renunciations	N/A	
20	Names of any underwriters	N/A	

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A

+ See chapter 19 for defined terms.

33 +Despatch date

N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">N/A</td> <td></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Jonathan Hart.....Date: 10 March 2014.....
(Company secretary)

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	99,100,000
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period 	<p style="text-align: center;">Nil</p> <p style="text-align: center;">Nil</p> <p style="text-align: center;">Nil</p>
Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	99,100,000

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	14,865,000
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	10 March 2014 – 14,865,000 Shares to GRIT
“C”	14,865,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	14,865,000
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	14,865,000
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	99,100,000
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	9,910,000
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	10 March 2014 – 135,000 Shares to GRIT
“E”	135,000

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>9,910,000</p>
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>135,000</p>
<p>Total [“A” x 0.10] – “E”</p>	<p style="text-align: center;">9,775,000</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.