

## ASX Announcement

16 April 2014

### **AGREEMENT TO NEGOTIATE TO ACQUIRE WISE ENERGY GROUP'S 50% JOINT VENTURE INTEREST IN THE COCKATOO ISLAND PROJECT FOR US\$21 MILLION AND RESIGNATION OF DIRECTOR**

Pluton Resources Limited (ASX: PLV) (**Pluton** or the **Company**) is pleased to announce that the Company has today executed a letter agreement with Wise Energy Group Limited (**WEG**) (**Letter Agreement**) to negotiate in good faith:

- the sale to Pluton of WEG's 50% Joint Venture interest in the Cockatoo Island project;
- the termination of the Sales and Marketing Agreement between Pluton and WEG; and
- the buy-back of WEG's 48,845,070 Pluton shares (by way of a selective capital reduction which would require the approval of Pluton shareholders) or the sale of those shares by WEG,

for US\$21 million (intended to be without set off or deduction).

Under the Letter Agreement, the parties agree to negotiate in good faith to enter into legally binding documentation (**Sale Agreement**) and complete the transaction within 180 days from the execution of the Letter Agreement.

For 180 days from the date of the Letter Agreement, Pluton will pay all approved sums payable by WEG under the Cockatoo Island Joint Venture Agreement, and WEG's proceeds from the sale of Joint Venture product will be applied to repay Pluton for those payments.

If the Sale Agreement is not entered in to or completed within 180 days of the Letter Agreement:

- any amounts paid by Pluton of WEG's behalf (as outlined above) will not be payable by WEG but will be deducted from WEG's share of the sale of Joint Venture product;
- Pluton will resign as Manager of the Joint venture on notice from WEG and the parties will negotiate in good faith to appoint a new Manager; and
- WEG may give notice ceasing operations at the Project and the parties must work together in good faith to find a solution to operate the Joint Venture.

In addition, WEG nominated Director Dianmin Chen has resigned from Pluton's Board effective immediately. The remaining Board of Directors thank Dr Chen for his service and wish him all the best with his future endeavours.

#### **Rights Issue**

Pluton expects to be able to announce details of the Rights Issue and lodge its Prospectus in the near future and the Company will remain in suspension until this has occurred.

For further information please contact:

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