



ASX Announcement

8th July 2016

PNG Minister's Announcement on Unconventional Hydrocarbons

Summary

- **PNG Petroleum and Energy Minister has made an Announcement on Unconventional Hydrocarbons**
- **Minister's preference for South Pacific Resources to work with Kumul**
- **South Pacific Resources already in discussions with Kumul**

South Pacific Resources Limited (**the Company**) is pleased to welcome Minister Micah's statements in yesterday's Papua New Guinea (**PNG**) press, confirming the State's commitment to develop the unconventional hydrocarbons industry in Papua New Guinea. In doing so, and in confirming the reservation of significant licence areas, the Minister is fulfilling the State's previous commitments made to South Pacific Resources Limited in acknowledgment of the Company being the first mover in shale gas in PNG.

Minister Micah's confirmation that Kumul Petroleum Holdings ("Kumul"), the State owned oil and gas company, will be heavily involved in the shale gas industry in PNG was also encouraging. The Company has been in discussion with Kumul for some time.

For further information, please contact:

Domenic Martino

Chairman

T: +61 2 8823 3179

E: dmartino@indianoceancapital.com