



12 August 2014

The Company Announcements Office
ASX Limited

NGE TO SELL 50% INTEREST IN PPL 269 FOR UP TO US\$40 MILLION (AUD\$44M)

On 13 February 2014, New Guinea Energy Ltd (**NGE / Company**) announced that NGE and its wholly owned subsidiary, Kirkland Limited (**Kirkland**) had signed an agreement with a subsidiary of Santos Limited, Barracuda Limited (**Santos**), regarding the proposed sale of Kirkland's 50% participating interest in Petroleum Prospecting Licence 269 (**PPL269**) to Santos for a maximum total consideration of up to US\$40 million (**Sale Agreement**).

Further to that announcement, NGE is pleased to advise shareholders that the Initial Conditions Precedent, under the Sale Agreement, have today been satisfied.

Completion of the sale of Kirkland's 50% interest in PPL269 under the Sale Agreement remains conditional on receipt of certain PNG governmental approvals. The timetable for the implementation of the transaction is now as follows:

Action	Date
Remaining conditions, including Government approvals.	By no later than 13 August 2015
Completion and Consideration Received	At least 10 business days after conditions satisfied.

The consideration for the sale of the 50% interest in PPL 269 includes:

- payment of US\$32 million cash on Completion; and
- payment of US\$2 million cash if a Petroleum Retention Licence (**PRL**) is granted over any area of PPL269; and
- payment of a further US\$6 million cash if a Petroleum Development Licence (**PDL**) is granted over any area of PPL269. (However, if a PDL is granted prior to a PRL, a one off payment of US\$8 million cash will be payable instead).

Under the Sale Agreement, Santos also agreed to fund Kirkland's participating share of expenditure under certain pre-approved Work Programs and Budgets. Kirkland will not be liable to repay any funds advanced by Santos in relation to this expenditure other than in very limited circumstances.

NGE looks forward to further updating shareholders as to the satisfaction of the remaining conditions in due course.

Michael Arnett
Executive Chairman

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About New Guinea Energy

New Guinea Energy Ltd (ASX: **NGE**; OTC: **NGELY**; POMSOX: **NGE**) is an Australian company focused on oil and gas exploration in Papua New Guinea (**PNG**). Prior to any sale of PPL 269 taking effect, the company has 5 onshore Petroleum Prospecting Licences (**PPLs**) covering more than 29,500km² (7 million acres) and a royalty right over another 8,000km² (2 million acres) in a PPL running parallel to the PNG LNG Project. As a reflection of the prospectivity of NGE's portfolio, more than 1 billion barrels of oil and 15 Tcf of gas have already been discovered in adjacent licences.

Disclaimer

Any forecast or other forward-looking statement contained in this announcement involves known and unknown risks and uncertainties and significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of New Guinea Energy, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

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