

**Azonto Petroleum Limited**

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To: Company Announcements Office
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ASX Code: APY

\$2.25 million raising via Firm Commitments @ 1.5 cents

Highlights

- Firm commitments for \$2.25 million received for Capital Raising at \$0.045 per share (post consolidation) from European investors in respect of the minimum raising for re-compliance.
- Shareholders meeting to approve transaction currently expected to be held in mid-July
- Prospectus advancing – currently expected to be lodged with ASIC and ASX in June
- McDaniel & Associates Consultants Ltd, one of the world's leading petroleum consulting firms, to complete the Independent Technical Report on the Montney JV Project in the Caribou area in the Montney basin, Canada

The Company is pleased to advise that it has received firm commitments for the minimum capital raising necessary to re-comply with Chapters 1 and 2 in respect of the Farm-In Agreement over the oil and gas licenses in the Montney Formation in British Columbia, Canada and the acquisition of Calima Energy Limited from Havoc Partners LLP (the **"Proposed Transaction"**).

Key terms of the Proposed Transaction are:

- Azonto has entered into a conditional farm-in Agreement giving it the right to acquire up to a 55% working interest in an acreage position in British Columbia Canada which is focussed on a liquids rich trend in the Montney Formation;
- Azonto to acquire Calima, which holds interests in the petroleum permits in Saharawi Arab Democratic Republic and passive minority interests in TMK Montney Limited and Bahari Holding Company Limited
- Azonto to undertake a Capital Raising of between \$2.25 million (fully committed) and up to \$4.5 million by way of a prospectus offer
- Azonto to reconstitute its Board and undertake a 1 for 3 consolidation of its share capital
- Alan Stein and Jon Taylor to join the board as Managing Director and Technical Director respectively and the rest of the Havoc team to join the management team
- Azonto to change its name to Calima Energy Limited

Full details of the transaction can be found on the company's web site www.azpetro.com

Capital Raising

Azonto has received firm commitments for a capital raising of \$2.25 million by the issue of shares at \$0.045 cents per share (post 3:1 consolidation), via the issue of 50 million shares.

The lead firm commitment investor for 67% of the raising is an entity associated with Clarion Finance Pte. Ltd., a family office with operations in Europe and Asia and with a track record of successfully investing in the oil and gas sector, renewables and mining. Nico Civelli, head of the Clarion office in Singapore, comments:

“We are very pleased to invest in Azonto especially considering the quality of the leadership team joining the Board and management and vested in the growth of the business. The Montney basin has delivered exceptional returns for investors over the past 5 years and we are impressed that Azonto has been able to acquire a strategic position in this liquid rich play. We believe this combination of proven oil and gas executives and a great asset will reward shareholders with substantial growth over the coming years. We look forward to being part of this growth.”

The funds raised under the Capital Raising will be used to fund the Stage 1 work program under the Farm-in Agreement referred to above, and to provide general working capital.

The commitments are for a total of 50,000,000 shares at 4.5 cents, as follows:

- 44,611,112 shares (**Firm Shares**); and
- up to 5,388,888 shares (being the amount by which the minimum subscription under the Capital Raising exceeds the number of Firm Shares) (**Shortfall Shares**).

The number of Shortfall Shares actually subscribed for by the firm commitment investors will be reduced by the number of shares for which the Company receives valid applications from other investors under the Prospectus prior to the closing date for the Capital Raising.

Oversubscriptions of up to a further \$2.25 million through the issue of a further 50 million shares may be taken under the Capital Raising. Existing shareholders are welcome to subscribe to the capital raising, with allocations to be determined by the Board in its ultimate discretion.

Timetable

An updated indicative timetable for the Proposed Transaction and associated events is set out below. This timetable is indicative only and may be subject to change.

Event	Date (week ending)
Dispatch Notice of Meeting to Azonto shareholders	16 June 2017
Lodge prospectus for Capital Raising and opening date of offer	30 June 2017
Azonto Shareholder Meeting and suspension of trading of Azonto Shares	14 July 2017

Event	Date (week ending)
Closing date of Prospectus offer	21 July 2017
Completion of Acquisition and re-compliance with Chapters 1 and 2	4 August 2017
Re-instatement to trading on ASX	11 August 2017

Firm Commitment and Capital Raising Fees

The following fees will be paid in respect of the Capital Raising and the firm commitments:

- A capital raising fee equal to 6% of the gross cash proceeds raised.
- Firm commitment fees of A\$112,500 proportionally to the firm commitment investors referred to above based on their commitments.
- Unlisted Options will be issued to the firm commitment investors. 10 million unlisted options will be issued. The options will be priced at \$0.045 (post-consolidation) with a term of 3 years.

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