



ABN 90 147 370 312

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

13 August 2018

ISSUE OF REDEEMABLE CONVERTIBLE NOTES

Black Star Petroleum Limited (“Black Star” or “Company”) advises that the Company has negotiated the raising of A\$493,000 through the issue of Redeemable Convertible Notes with the following key terms –

- Number of Convertible Notes – 493
- Face value of each Convertible Note – A\$1,000
- Maturity Date – Two years from the date the Convertible Note Subscription Agreement is executed i.e. 13 August 2020
- Interest Rate – 9% per annum
- At any time prior to the Maturity Date the Company may notify the Convertible Noteholder that the Company intends to elect to redeem the Convertible Notes held by the Convertible Noteholder
- The number of Shares to be issued in respect of each Convertible Note will be calculated by dividing the Face Value of the Notes by conversion price of \$0.0013
- Maximum number of Shares to be converted is 379,230,769.
- Company will seek shareholders’ approval for the conversion subject to the requirements of ASX Listing Rules and the Corporations Act

Funds raised from the Convertible Notes will be utilised for working capital purposes and part repayment of existing debt.

The Convertible Notes were issued without a prospectus under Chapter 6D of the Corporations Act. In order to ensure that Shares issued on conversion of the Convertible Notes are freely tradeable on the Australian Securities Exchange (ASX), the Company will ensure that a cleansing notice under section 708A(5) of the Corporations Act is released to ASX upon each conversion of a Convertible Note, or alternatively, it will issue a transaction specific prospectus upon each conversion.

On behalf of the Board.

Ian Gregory
Company Secretary