

GASFIELDS LIMITED

10 May 2019

COMPANY UPDATE

Gasfields Limited (ASX: GFS) (**Gasfields** or **Company**) is pleased to announce and update in relation to its ongoing corporate activities and re-quotations of its securities.

Convertible Notes

The Company is pleased to provide an update in relation to the issue of convertible notes (**Convertible Notes**) as announced on 19 February 2018.

Further to the Company's update made on 28 March 2019 and 12 April 2019, the Company confirms it has facilitated further cash repayments of interest coupons and principal note values of the Convertible Notes, totalling approximately \$123,000. The Company has now made a total of \$398,000 cash repayments of interest coupons and principal note values of the Convertible Notes.

The Company is intending to redeem up to a further \$250,000 of Convertible Notes and the Company anticipates these payments will be finalised in the coming quarter (**Redemptions**). As previously announced, in preparation for and to provide liquidity for such Redemptions, the Company has agreed with the Executive Chairman Nathan Featherby that it will utilise the interest free draw-down facility that he has provided to the Company (**Loan Facility**).

The Loan Facility amount is currently at \$1,000,000. The Company has drawn down \$554,000 as at the date of this announcement.

Unmarketable Buy-Back

As announced to the market on 12 March 2019, the company is proposing to conduct an unmarketable parcels buy-back (**Unmarketable Buy-Back**).

Based on the share register of Gasfields as at 7pm (Sydney time) on Tuesday 7 May 2019, and a buy-back price of \$0.002, a less than marketable parcel of shares is 250,000. Gasfields currently has 320 unmarketable parcel holders comprising 18,162,046 shares.

ACN 107 708 305
Gasfields Limited
Level 11, 52 Phillip Street, Sydney NSW 2000
GPO Box 225, Sydney NSW 2001
Telephone: +61 2 8316 3994
Facsimile: +61 2 8316 3999
info@magnumgasandpower.com

Further to the Company's announcement on 12 April 2019, the Company now anticipates that the Unmarketable Buy-Back will be formally announced by 17 May 2019.

Royalty Acquisition

The Company is also pleased to confirm as announced on 23 April 2019, that it has made payment of \$10,000 to Green Power Energy Limited as consideration for it agreeing to vary the terms Deed of Assignment of Royalty (**DAR**).

The Company will continue to provide updates as the Royalty Acquisition progresses. For further details refer to the Company's announcement dated 28 March 2019 and 23 April 2018.

Proposed Transaction

The Company has made a submission with the ASX seeking comment from the ASX with respect to a significant corporate transaction (**Proposed Transaction**) pursuant to ASX Listing Rule 11.1.1. In particular, the Company is seeking ASX comment in relation to whether the Proposed Transaction will require shareholder approval pursuant to Listing Rule 11.1.2, and pursuant to Listing Rule 11.1.3 whether the Company must re-comply with Listing Rule 1 and 2 as if the entity were applying for admission to the Official List. The Company wishes to clarify that the Proposed Transaction does not relate to the Sacramento Basin Projects.

Proposed reinstatement to Official Quotation

The Company will remain in voluntary suspension pending an announcement in respect of finalisation of its ongoing negotiations with respect to energy projects in the USA/Sacramento Basin California.

This is the primary reason and continues to be the reason why the Company remains in suspension. The Company expects that these negotiations will complete in the current Quarter. Upon completion of a transaction relating to the USA/Sacramento Basin California Projects (**USA Energy Transaction**), the Company will also request the reinstatement of quotation to the official list, subject to the satisfaction of the conditions below. In the event that negotiations do not lead to a transaction, the Company will advise the market accordingly.

The lifting of the voluntary suspension is also conditional upon the Company satisfying the following conditions:

- completion of the independent legal review of the consulting arrangement between the Company and Ochre Group Holdings Limited (**Legal Review**);
- the Company demonstrating compliance with Listing Rule 12.2 (**Financial Condition**); and
- the Company complying with its outstanding periodic disclosure, in particular the half yearly report for the period ending 31 December 2018 (**Half-Yearly Report**).

The Company has engaged a legal adviser and is progressing with the review. Whilst the Company is unable to provide a definitive timeframe on the completion of this Legal Review, the Company anticipates that the Legal Review will be completed by **30 June 2019**.

The Company is preparing the Half-Yearly Report for audit by the Company's auditor. The Company will release the Half-Yearly Report to the market on completion following sign off by the auditor and the Company's board. The Company anticipates that the Half-Yearly Report will be completed by **30 June 2019**.

With respect to the Financial Condition, The Company remains focused on minimising expenses and keeping a disciplined approach to cash management, particularly until such point as a transaction materialises. The Board of directors continues to support the Company to meet any cash requirements, and this is evident by the existing loan facility provided by Executive Chairman Mr Nathan Featherby.

Yours faithfully,



Nathan Featherby
Executive Chairman
Gasfields Limited

About Gasfields Limited

Gasfields Limited is an Australian-based energy and gas resources exploration and development company, working to develop gas exploration and production projects. The Company is currently focused on its Tulainyo Gas Project in the Sacramento Basin California. The Company's goal is to create exceptional value for shareholders through expanding and developing its energy and gas interests both in Australia and internationally.