



19 March 2019

## SALE OF ROYALTY INTEREST IN WALYERING GAS PROJECT IN PERTH BASIN

- Greenpower Energy Limited (ASX:GPP) has signed a binding Deed of Assignment of Royalty with Gasfields Limited (ASX:GFS) to sell its 1.5% wellhead royalty payable over 50% of any production from EP447 (**Wellhead Royalty**), being the proportionate share of the tenement held by GCC Methane Pty Ltd. EP447 makes up the Walyering Project and is located in the Perth Basin.
- Greenpower Energy Limited will receive an initial cash payment of \$250,000 and then two further instalments of \$125,000 each.

### Summary

Greenpower Energy Limited (**Greenpower** or **Company**) is pleased to announce that it has executed a binding Deed of Assignment of Royalty (**DAR**) with Gasfields Limited (**Gasfields**) to acquire Greenpower's 1.5% wellhead royalty over 50% of any production from EP447 (**Tenement**), being the proportionate share of the Tenement held by GCC Methane Pty Ltd (a wholly owned subsidiary of ASX listed Strike Energy Limited (ASX:STX), via its ownership of United Energy Limited) (**GCC Methane**) (**Royalty Sale**).

EP447 located in the Perth Basin Western Australia makes up the Walyering Project is one of a number of early gas discoveries by West Australian Petroleum Pty Ltd in the early 1970's, and has only been partly produced (**Walyering Project**).

The Walyering Project is currently subject to a Joint Venture between ASX Listed Pancontinental Oil & Gas NL (ASX: PCL) (**Pancontinental**) and UIL Energy Limited (**UIL**) (a wholly owned subsidiary of ASX listed Strike Energy Limited (ASX:STX)). Pancontinental is currently processing an application to conduct a 90km<sup>2</sup> 3D seismic survey, which is currently subject to environmental, native title and land holder approvals (**Seismic Survey**).

Greenpower Energy Limited

ABN 22 000 002 111

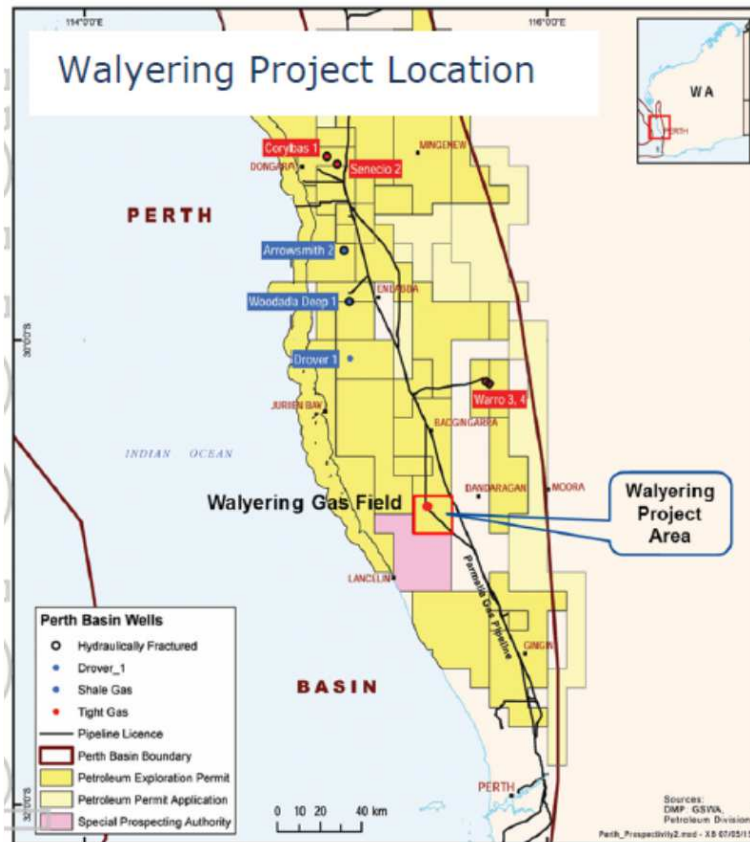
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## Terms of the Acquisition

Under the DAR, the Company has agreed to sell the Wellhead Royalty free of encumbrances to Gasfields for the following consideration:

- (a) cash consideration of \$250,000 payable to Greenpower within five (5) days of Gasfields providing notice to Greenpower that it wants to progress the transaction following its due diligence enquiries (**Tranche 1**);
- (b) cash consideration of \$125,000 payable to Greenpower:
  - (i) within five (5) days of completion and release of the results of the Seismic Survey; or



(ii) Within one hundred and twenty (120) days of execution of the DAR,  
whichever is earlier (**Tranche 2**); and

(c) cash consideration of \$125,000 payable to Greenpower within 30 days of commercial production being achieved (**Tranche 3**).

Title, ownership and risk in the Wellhead Royalty will pass to the Gasfields upon the Gasfields completing payment of Tranche 2 (**Ownership**).

Upon completion of the Seismic Survey or 120 days from execution of the DAR, whichever is earlier, Gasfields will have the option to make the Tranche 2 payment or withdraw from the Royalty Acquisition, subsequently relinquishing any Ownership in the Wellhead Royalty (**Withdrawal**). In the event that Gasfields proceeds with the Withdrawal, the Tranche 1 payment will not be refundable.

Gasfields also has a due diligence period of thirty (30) days of which it is entitled to complete legal and technical due diligence on the Wellhead Royalty (**Due Diligence Period**). If Gasfields discovers an issue during its due diligence investigation it must give Greenpower seven (7) days' notice prior to the end of the Due Diligence Period to be able to rectify the issue (**Due Diligence Issues**). Gasfields must within the Due Diligence Period provide notice to Greenpower in writing its intention to progress with the Transaction, and can only withdraw if the Due Diligence Issues cannot be remedied by Greenpower.

The Company will keep the market informed as the Royalty Sale progresses.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Cameron McLean'.

Cameron McLean  
Managing Director