

RAVEN ENERGY LIMITED

30 November 2018

CALIFORNIA UPDATE

Raven Energy Limited (**Company** or **Raven**) is pleased to provide the following update relating to activities in the Sacramento Basin, California.

Tulainyo Update

The Company is also pleased to provide an update related to the final well costs for the Tulainyo 2-7 appraisal well in the Sacramento Basin, (**Tulainyo Gas Project**)

As announced on 3 September 2018, Raven's now wholly owned subsidiary Bombora Natural Energy Pty Ltd received notification from the Operator, that:

1. Gasfields LLC (**GasFields**) failed to provide the required funds for costs incurred by the Operator for the agreed Tulainyo 2-7 operations;
2. the sum owed by Gasfields increased to US\$1,738,273 (**Final Well Costs**); and
3. as Bombora has guaranteed the obligations of Gasfields in the original Farmin Agreement between Gasfields, Bombora and Cirque Resources LP of 21 March 2017, the Operator would look to Bombora to make that payment in the event that Gasfields failed to pay.

(Collectively, the **Claims**).

The Company is pleased to advise that following discussion with the Operator, it has reached an agreement for full settlement of the Final Well Costs. The Operator and Raven have agreed the following:

- Upon completion of the Company's proposed Capital Raising, Raven will immediately provide payment of US\$1,000,000 (**Cash Consideration**) to the Operator. Upon receipt of the Cash Consideration, Raven shall be assigned 6% interest in the South Block in the Tulainyo Gas Project and any associated South Block leases.
- Raven shall be assigned a further 4% interest in the South Block of the Tulainyo Gas Project upon Operator receiving the balance of the Final Well Costs after first deducting the Cash Consideration (**Balance Payment**). The Balance Payment will result in full and final settlement of the Claims made by the Operator.

The terms of the settlement above will be subject to a formally legally binding agreement and will include terms that are customary in agreements of this nature.

The Cash Consideration will be paid from the proceeds of the Company's proposed placement to sophisticated, wholesale and professional investors via the issuance of up to 2,000,000,000 new fully paid ordinary shares in the Company at an issue price of \$0.001 per Share (**Placement**). The Placement was approved following shareholder approval at the extraordinary general meeting dated 30 November 2018.

Raven has entered into a Confidentiality Agreement (**CA**) with California Resources Production Corporation (**Operator**) to provide access to proprietary data and interpretations and evaluate investment in various projects in Northern Sacramento Basin (**Sacramento Basin Projects**).

ACN 107 708 305
Raven Energy 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

The Company will provide a further update prior to formally entering into any agreement covering the Sacramento Basin Projects.

The Company will keep the market advised of its progress in line with its continuous disclosure obligations.



Nathan Featherby
Executive Chairman
Raven Energy Limited