



ABN 35 116 249 060

30 October 2014

Dear Optionholder,

PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced to ASX on 28 October 2014, Wolf Petroleum Limited (**Wolf**) is undertaking a pro-rata non-renounceable entitlement issue of approximately 30,328,434 fully paid ordinary shares in the capital of the Company (**Shares**) with 1 free attaching option for every 1 Share subscribed to its shareholders who are registered as shareholders at 5pm (WST) on 5 November 2014 (**Record Date**) to raise approximately \$1,516,421 (**Entitlement Issue**).

The Shares will be offered on the basis of 1 new Share for every 8.7 Shares held as at the Record Date with 1 free attaching Option for every 1 Share subscribed and allotted under the Entitlement Issue (**Offer**). The Shares offered under the Entitlement Issue will rank equally with the Shares on issue at the date of the prospectus.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5pm (WST) on 5 November 2014, whose registered address is in Australia or New Zealand.

The rights attaching to the Shares together with all other relevant information relating to the Entitlement Issue are set out in a prospectus which was lodged with the Australian Securities and Investments Commission and ASX on 28 October 2014 (**Prospectus**). New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. A copy of the Prospectus, together with the Entitlement and Acceptance Form, will be sent to shareholders on or about 10 November 2014.

Following completion of the Offer, the Company will have issued approximately 30,328,434 New Shares resulting in total Shares on issue of approximately **294,185,811** and 30,328,242 New Options resulting in total Options on issued of approximately **246,267,013**.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Financial obligations under production sharing contract	182,500	12.03
2.	Mongolian regional and land fees	138,000	9.10
3.	Costs associated with farm out of the SB Block	375,296	24.75
4.	Consulting Fees	250,000	16.49
5.	Expenses of the Offer	115,625	7.63
6.	Working capital	455,000	30.00
	Total	1,516,421	100

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.



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There is no inherent right in your Options to participate in the Entitlement Issue, unless you exercise your Options and are entered onto the register as a shareholder on or before the Record Date. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your Options should you wish to participate in the Entitlement Issue.

If you wish to participate in the Entitlement Issue you must exercise your Options in time for the new Shares to be allotted before the Record Date. To ensure that your new Shares are allotted before the Record Date your notice of exercise of Options together with your cheque for the necessary amount must be received by Automatic Registry Services **no later than 5 November 2014**. Any notice of exercise of Options received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Issue (in respect of your Options) you do not need to take any action.

Before deciding whether to exercise all or any of your Options, you should consider the terms of the Entitlement Issue carefully and if in any doubt, consult with your professional advisor.

Yours sincerely

Jonathan Hart
Company Secretary
WOLF PETROLUEM LIMITED