



26 November 2015

Australian Securities Exchange Limited
Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000

COMPANY UPDATE

Orca Energy Limited (ASX:OGY) (**the Company**) refers to its recent trading halt and the price and volume query received by the ASX on 24 November 2015.

Further to the information included in the Company's response to ASX's price and volume query of today's date, the Company advises that it is currently in discussion and negotiations in relation to a potential transaction relating to a proposed acquisition of a business/company operating in the telecommunications sector (**Proposed Transaction**). The proposed parties to the transaction are progressing with their respective due diligence parallel to the transaction negotiation. Both the due diligence and negotiation processes are continuing.

While no agreement has been reached between the relevant parties and there can be no assurance that a final agreement will be reached on terms satisfactory to all parties, the Company advises that the Proposed Transaction, if it proceeds, will constitute a significant change in the nature and/or scale of the Company's activities in accordance with Chapter 11 of the Listing Rules and the Company may be required to re-comply with the ASX admission requirements of Chapters 1 & 2 of the Listing Rules.

If terms of the Proposed Transaction are agreed, the Company will obtain all necessary shareholder and regulatory approvals (including any approvals required by the Listing Rules and the Corporations Act) required for completion of the transaction.

The Company will make a market announcement if and when the terms of the Proposed Transaction are agreed and when an agreement has been entered into with the relevant party. Alternatively, the Company will make a market announcement if negotiation of the Proposed Transaction ceases.

At this stage, the Company is unable to provide the market certainty relating to the length of time in which an outcome of the current negotiations will be finalised (including whether the Proposed Transaction will proceed). However, the Company hopes to conclude negotiations and provide an update to the market within the next two weeks.

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Nathan Rayner
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

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ASX CODE

OGY



The Company obtained shareholder approval for disposal of its main undertaking on 30 April 2015. Since this time, the Company has engaged in discussions with various parties on an informal basis in relation to potentially exploring corporate transactions. If the terms of the Proposed Transaction are not formalised the Company intends to continue to consider alternative transactions, the nature of which may not be limited to a particular industry sector.

The Company notes the requirements of Listing Rule 3.1 and will make appropriate announcements to the market as the need arises.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Bandy', written in a cursive style.

Greg Bandy
Managing Director