RAVEN ENERGY LIMITED

5 July 2018

RAVEN SECURES ACQUISTION OF GASFIELDS LLC

- Raven to expand its interests in the Sacramento Basin by securing 100% ownership of Gasfields LLC (**Gasfields**).
- Raven has signed a share purchase and sale agreement to acquire Bombora Natural Energy's 40% shareholding in Gasfields LLC, a limited liability company incorporated in California, that holds the rights to farm in to the Tulainyo Gas Project in the Sacramento Basin, California (**Tulainyo Project**). Other participants in the Tulainyo Project include one of California's largest independent oil and gas production companies.
- The Tulainyo Project covers the Sites Anticline that has over 91 km² of closure with associated gas seeps and gas encountered by historic drilling.
- Raven via its full ownership of Gasfields can earn up to a 33.33% interest in the project.
- In addition to conventional untested gas potential there is also the potential for oil or gas-condensate in the deeper structure linked to prominent oil seeps in outcrop.

Summary

Raven Energy Limited (ASX: REL) (**Raven** or **Company**) is pleased to announce that it has executed a binding share sale and purchase agreement (**SPA**) with Bombora Natural Energy Pty Ltd (**Bombora**) to acquire Bombora's 40% shareholding in Gasfields LLC, a limited liability company incorporated in California, 60% of which is currently owned by the Company (**Acquisition**). Bombora is a wholly owned subsidiary of ASX listed Pancontinental Oil and Gas Limited (**Pancontinental**) (ASX:PCL). As a result of the Acquisition, Gasfields will be a wholly owned subsidiary of the Company.

Tulainyo Gas Project

Gasfields holds rights to farm-in to a 152 km² (over 40,000 net acre) – lease position over the large Sites Anticline structure on the west side of the gas prolific Sacramento Basin, California. A major gas trunkline servicing California's vast, 90% - imported, domestic gas market is located approximately 8 km from that site.

Gasfields will continue to be advised by experienced oil and gas industry executive John Begg who will assist Raven with further developing its growth strategy in California for a period of up to six months. Mr Begg will be compensated for his services at a daily rate of A$356 plus GST.

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The vendor group to the Tulainyo Farm-in Agreement with Gasfields is comprised of project operator California Resources Production Corporation (**CRPC**) and Cirque Resources LP (**Cirque Resources**), a private company based in Denver, Colorado.

As per the Company's announcement dated 22 June 2017, Gasfields is earning up to 33.33% in the Tulainyo Project via a farm-in agreement (**FIA**) with CRPC and Cirque Resources (**Tulainyo Joint Venture**). Under the FIA, Gasfields will earn a 10% interest in the southern half of the 152km^2 leased land position by funding drilling and testing of the Tulainyo- 2 well. Currently, the joint venture is in the final stage of both the well program, including testing, as well as the associated funding for the initial earning phase. This is expected to be complete within the coming quarter following which the initial 10% interest in the project can be assigned. Completion of the testing program is estimated to cost up to US$300,000.

As per the announcement of 22 June 2017, Gasfields' interest will increase to 33.33% if it elects to fund the drilling of a second, deeper well in the southern farmin area. Following the second well, Gasfields would have a further option to fund drilling of a third well in the northern half of the land position to earn up to 33.33% in the entire leased area.
The Company is confident that it will be able to fund any costs in relation to the Tulainyo Joint Venture when required. To date the Company has invested $5,548,658 in the Tulainyo Project as part of its expenditure obligations which comprised of drilling and testing costs at the Tulainyo 2-7 well.

At the time of this announcement, the Company has approximately $2,400 in cash and approximately $232,554 of shares in listed entities (comprising $53,846 of shares in High Peak Royalties Limited and $178,708 in Tonogold Resources), which if required will be sold and converted into cash as necessary. The current cash balance of Gasfields is nil.

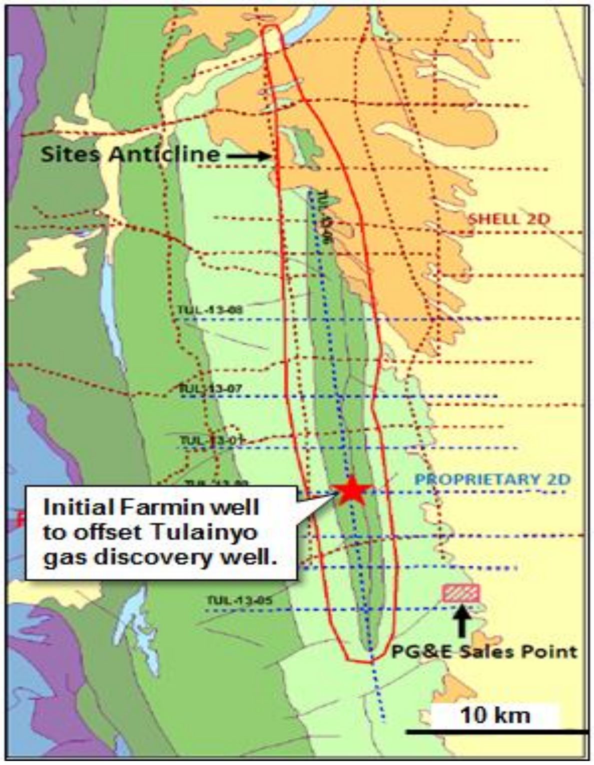
As per the Company's announcement dated 19 April 2018, Raven has access to a $500,000 undrawn loan facility available which can be called upon at any time and used for project and or working capital purposes. The Company is also expecting to receive $200,000 on or before 19 July 2018 as deferred consideration for the sale of its 25% interest in the Serowe Coal Seam Gas Project. In addition, Raven is working on further debt orientated financing arrangements upon completion of which the Company will advise the market accordingly.

The Sites Anticline is defined by a grid of 2D seismic matched to extensive surface and outcrop mapping and is interpreted to have up to 91km^2 of four–way dip closure. **Refer Figure 1.**

The Tulainyo 2-7 well has been recently drilled as planned to a total depth of 5,710 feet (1740 m), within the large, over pressured anticlinal structure following extensive pre-planning. Post well analysis indicated multiple stacked sandstone units, varying as expected in thickness and quality, all gas saturated. For further details refer to the Company's announcement dated 8 January 2018.

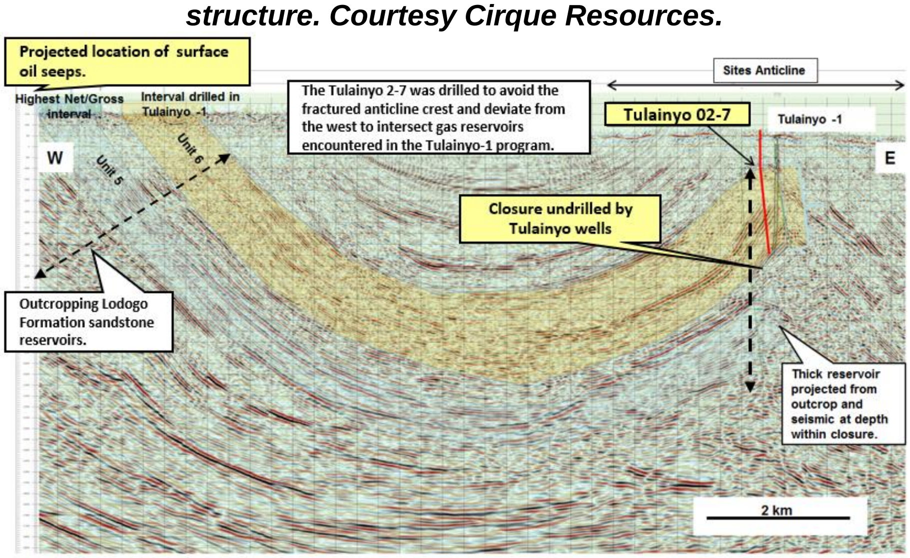
As previously announced to the market, a staged testing program of interpreted gas reservoirs in the Tulainyo 2-7 well is nearing completion. A range of potential gas reservoirs were identified in the well based on gas shows, drill and sample data and wireline logs from both the Tulainyo 2-7 and the nearby Tulainyo-1 well.

Figure 1: Surface Structure of the Sites Anticline



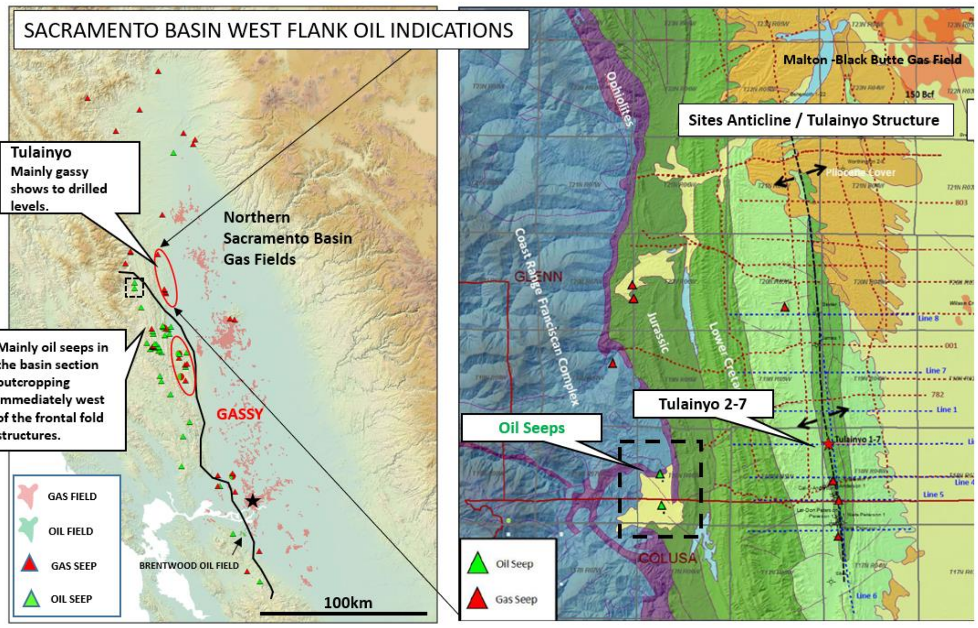
The operations at Tulainyo 2-7 were deliberately designed to evaluate the flow potential of shallow reservoirs observed in the original Tulainyo-1 discovery well and tied to outcrop. To date, the drilling activity has evaluated less than half of the potential stacked reservoir targets within closure, with up to 2,000 m of undrilled vertical closure mapped below the deepest zones encountered in the Tulainyo wells as drilled to date. Correlations to the outcrop in the adjacent range to the west indicate that the thickest reservoir sections are yet to be penetrated and may be present in this deeper, undrilled stratigraphic interval.

Figure 2: Regional seismic line indicating oil seeps, reservoir outcrop and large anticline structure. Courtesy Cirque Resources.



Further analysis will be conducted on the potential for liquid hydrocarbons (oil and condensate) in addition to the deeper gas potential in the deeper part of the structure. This is based on oil seeps in the equivalent age sections outcropping in the ranges just west of the structure and in a similar structure on trend to the south.

Figure 3: Diagram showing position of oil and gas seeps relative to the frontal folds, including Tulainyo, on the western edge of the Sacramento Basin.



For further details about the Tulainyo Project please see the Company's announcements dated 5 June 2017 and 8 June 2018.

Terms of the Acquisition

Under the SPA, the Company has agreed to purchase all of Bombora's shares in Gasfields on the following terms and conditions:

(a) The Company will pay to Bombora (or its nominee):

(i) A$25,000 payable within fifteen (15) business days of the execution of the SPA;

(ii) A$275,000 payable within seven (7) days of Raven raising by debt or equity at least $1,000,000 (**Cash Consideration Condition**); and

(iii) 555,555,555 ordinary fully paid shares in the Company at an issue price of A$0.0018 per share (**Share Consideration**). The Share Consideration will be payable within fourteen (14) days of Raven obtaining any required ASX or regulatory approval, including from its shareholders (if necessary) to issue the shares to Bombora or its nominee (**Share Consideration Condition**). In the event, there is no requirement to satisfy the Share Consideration Condition, the Share Consideration must be issued to Bombora or its nominee with fourteen days of completion. Bombora and the Company have agreed that the Share Consideration will be restricted securities and will be voluntary escrowed for a period of twelve (12) months from the date of issue,

(Collectively, **Consideration**).

(b) The Company will also pay to Bombora:

(i) A$500,000 if within 3 years of completion, the Tulainyo Joint Venture determines that the flow of gas to the surface as part of the Tulainyo Project, is economic to connect into a gas trunkline. The SPA does not define economic, but if the Joint Venture elects to connect to a trunkline it would mean that a sufficient quantity of gas is present to do so;

(ii) A$5,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by a suitably qualified expert (**Expert**) that the Tulainyo Project contains a reserve of at least 500 billion cubic feet of gas gross to the Tulainyo Project; and

(iii) A$10,000,000 if within 3 years of completion and based on the SPE PRMS standard it is determined by an Expert that the Tulainyo Project contains reserve of at least 1 trillion cubic feet of gas gross to the Tulainyo Project. If any payments have been made under b(ii) above, those payments will be deducted from the A$10,000,000 payable,

(Collectively, **Deferred Consideration**).

Note 1. Suitable qualified expert is not defined in the SPA, but "suitably qualified" would mean someone with appropriate oil and gas experience and capability. Any determination of such a person, as stated in the SPA, has to be to SPE PRMS standard.

(c) The Company must use its best to satisfy as soon as possible the Cash Consideration Condition and Share Consideration Condition (if applicable). If the Cash Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, payment referred to in (a)(ii) must be made within twelve (12) months of completion and interest at a rate of ten percent (10%) per annum shall be payable on that sum.

(d) If the Share Consideration is not satisfied within six (6) months of completion or such longer period as Bombora allows, the Company must pay Bombora the sum of $1,000,000 in lieu of Share Consideration, upon written demand of Bombora.

(e) The parties acknowledge and agree that if Raven is in default of any obligations under the agreement, Bombora's sole remedy for that default is in a claim for money and not any claim for the return of the Bombora Shares.

Completion of the Acquisition occurred concurrently with signing of the SPA on 28 June 2018 (**Completion**). However, the Company and Bombora have agreed pursuant to the SPA, that any obligation and in particular the Consideration and Deferred Consideration obligations that have not already been performed will remain in full force after Completion. At this stage no components of the Consideration have been paid.

Nathan Featherby, Executive Chairman of Raven, commented:

"The board is delighted it has been able to secure full ownership of Gasfields and consolidate the opportunity to acquire up to a 33% interest in the Tulainyo Project in the Sacramento Basin. Recent operations at Tulainyo have shown the potential for further opportunities at depth. The Company has always considered this project to have TCF -scale gas resource potential, let alone oil. The Tulainyo Project acquisition provides an excellent platform for future growth."

Commenting on the Acquisition, Pancontinental CEO John Begg said:

"The Tulainyo project continues to hold great potential and this transaction provides a beneficial outcome for both parties. Pancontinental will secure immediate benefits in the form of cash and scrip in Raven, with further exposure to upside via material, success milestone payments. We think this project requires a focused effort working with a very capable operator (California Resources Production Corporation) and joint venture, and that Raven under the circumstances is best placed to be that vehicle.

For Raven, this transaction is significant in that it provides them with full ownership of the company which strengthens their Californian asset base and provides increased exposure in the prospective Sacramento Basin."

Apart from being joint venture partners through their shareholding in Gasfields, there is no relationship between Bombora, Pancontinental and the Company.

The Company will remain in voluntary suspension pending an announcement in respect of the corporate activities relating to divestments in Botswana and finalisation of its ongoing negotiations with respect to a potentially significant and strategic US domiciled energy acquisition. The Company anticipates finalising these discussions in the September quarter. The lifting of the voluntary suspension is conditional upon the Company providing to the satisfaction of ASX an independent legal review of the consulting arrangement between REL and Ochre Group Holdings Limited; demonstration of compliance with Listing Rule 12.2; and confirmation of receipt of convertible note subscription funds from its Chairman. The convertible note will be subject to shareholder approval. Further, the Company is continuing preparation for an extraordinary general meeting of shareholders to be held in August 2018, with a notice of meeting expected to be sent to shareholders in the coming weeks.

Yours faithfully,

Nathan Featherby
Executive Chairman
Raven Energy Limited

About Raven Energy Limited

Raven Energy 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.