

RAVEN ENERGY LIMITED

3 September 2018

TULAINYO PROJECT UPDATE

Raven Energy Limited (**Company** or **Raven**) refers to the announcement made by Pancontinental Oil & Gas NL (ASX:PCL) (**PCL**) dated 3 September 2018 relating to the Tulainyo 2-7 gas appraisal well in the Sacramento Gas Basin, California (**Tulainyo Gas Project**).

As announced to the market on 5 July 2018, the Company executed a binding share sale and purchase agreement (**SPA**) with Bombora Natural Energy Pty Ltd (**Bombora**) (a subsidiary of PCL) to acquire Bombora's 40% shareholding in Gasfields LLC (**Gasfields**), 60% of which was already owned by the Company (**Transaction**). As a result of the Transaction, Gasfields became a wholly owned subsidiary of the Company.

Gasfields is earning up to 33.33% in the Tulainyo Gas Project.

PCL announced that its subsidiary Bombora received a claim from the operator of the Tulainyo Gas Project (**Operator**), claiming that:

1. Gasfields has failed to provide the required completion funds for costs allegedly incurred by the Operator in the drilling of the Tulainyo 2-7 gas appraisal well;
2. the sum allegedly owed by Gasfields has now increased to US\$1,738,273; 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 it.

To the extent that the claim by the Operator is valid (which is denied by Bombora), to the extent that Gasfields fails to pay it and if Bombora is called upon to pay it, PCL has noted that the only "assets" available to Bombora to satisfy any such a claim are its shareholding in Bombora Natural Gas LLC, which is a US entity with rights in the Dempsey and Alvares gas projects located in the Sacramento Gas Basin, California. Bombora is also earning a seventy percent (70%) interest in the West Australian exploration permit EP447 by acquiring 3D Seismic at an estimated cost of \$1.8-\$2.0 million.

On 2 September 2018, Bombora wrote to the Operator denying any liability for the claims referred to above and sought further information about them. It also sought a meeting with the Operator which is expected to take place sometime this week.

The Company has also engaged with both PCL and the Operator to consider a suitable and satisfactory outcome for all parties.

Prior to receipt of the claim from the Operator to Bombora above, Raven notes there was only an amount of US\$321,353.00 owed by it relating to costs of the Tulainyo Gas project.

The market will be informed as further developments occur.

Nathan Featherby
Executive Chairman
Raven Energy Limited

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