



15 June 2012

## **ASX release**

### **Capital raising**

15 June 2012: Challenger Energy Ltd ("Challenger") is pleased to announce that it has undertaken a placement of 22 million new ordinary shares at 2.5 cents each, raising \$550,000 before associated costs. The capital raising will be used for working capital purposes.

As previously advised, Challenger expects that a technical report on shale gas will be submitted to the Cabinet in July at the latest. The Minister indicated that the Department of Mineral Resources is "almost ready to submit" the report. Challenger expects that following Cabinet review the industry will be provided with clarity on the path forward for the industry and will allow Challenger to plan with certainty the implementation of the exploration program associated with its large permit.

The company continues to progress discussions on a potential farm-in with interested parties within this more favourable environment.

A handwritten signature in blue ink, appearing to read "Paul Bilston".

Mr Paul Bilston  
Managing Director  
P: 0402 060 405

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Challenger Energy Limited

ABN

45 123 591 382

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary shares (CEL)                         |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 22,000,000                                    |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Same as existing ordinary shares, upon issue. |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p style="text-align: center;">Yes</p>
<p>5 Issue price or consideration</p>	<p style="text-align: center;">2.5 cents (\$0.025)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p style="text-align: center;">Working capital</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p style="text-align: center;">On or about 20th June 2012</p>

8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	Class
		311,482,540	Fully Paid Ordinary Shares
		105,222,171	Options (20c, 30 June 2012)
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		3,500,000	Options (10c, 30 June 2012)
		2,000,000	Director A options (25c, 28 Feb 2013)
		2,000,000	Director B options (35c, 28 Feb 2015)
		500,000	Employee A options (25c, 1 Feb 2014)
		1,500,000	Employee B options (25c, 1 Feb 2014 vesting based on the Company booking certified 2P reserves of 75 PJ (or equivalent))
		2,000,000	Employee B options (35c, 1 Feb 2015 vesting based on the Company booking certified 2P reserves of 150 PJ (or equivalent))
		2,000,000	Director A options (15 c, 20 Nov 2014 based on the Company booking certified 2P reserves of 75PJ (or equivalent))
		2,000,000	Director B options (15 c, 20 Nov 2014 based on the Company booking certified 2P reserves of 150PJ (or equivalent))
		15,000,000	Director options (15c, 20 Nov 2014)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

## Part 2 - Bonus issue or pro rata issue

Not applicable

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under

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+ See chapter 19 for defined terms.

sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 15 June 2012

(Company Secretary)

Print name:

Adrien Wing

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