

31 October 2012

Partial Underwriting of Listed Options

Cauldron Energy Limited (**Cauldron** or the **Company**) is pleased to announce that it has entered into an agreement with Barclay Wells Limited (**Barclay Wells**) to partially underwrite the exercise of the outstanding listed options in the Company (ASX: CXUO) (**Listed Options**) that existing option holders may choose not to exercise by the expiry date of 5pm (WST) on 31 October 2012, to \$832,500.

The underwriting agreement with Barclay Wells is on standard terms and conditions and includes typical indemnification and termination provisions and commission payable at 5%.

Allotment of shares issued pursuant to the partial underwriting of the Listed Options will be made in early November 2012 and in accordance with the ASX Listing Rules.

Yours faithfully
Cauldron Energy Limited

Tony Sage
Executive Chairman

ABN 22 102 912 783

32 Harrogate Street
West Leederville WA 6007

PO Box 1385
West Leederville WA 6901

ASX code: CXU

155,335,245 ordinary shares
12.6 M listed options
4.3M unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Claire Tolcon
Company Secretary