TELLUS RESOURCES LTD

ASX ANNOUNCEMENT 22nd August 2014

Tellus Resources Limited is an Australian-based oil & gas and mineral exploration company with licences in South Australia, Queensland and New South Wales. The Company also has oil interests in Utah, USA in a well established oil province.

Directors:

Robert Kennedy - ***Chairman***
Carl Dorsch - ***Managing Director***
Neil Young - ***Non-Executive Director***

Issued Shares:

194,348,295 ordinary shares

Tellus Resources Ltd

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Placement – Technical Information

Further to its announcement of 14 August 2014, Tellus Resources Limited (TLU or the Company) wishes to advise of the following technical information that is required to be disclosed when shares are issued under Listing Rule 7.1A:

Security	**Shares**	**Dilution**
Securities – Pre Placement	172,348,295	
Total # of new securities issued under LR7.1	7,370,128	3.8%
Total # of new securities issued under LR7.1A	14,629,872	7.5%
Total Dilution effect	194,348,295	11.3%

Listing Rule 3.10.5A (a) – By placement of 14,629,872 shares under Listing Rule 7.1A, current shareholders are diluted by 7.5%.

Security	**%**
Pre-Placement shareholders who did not participate in the placement	88.7
Pre-Placement shareholders who did participate in the placement	5.1
New Shareholders who participated in the placement	6.2

Listing Rule 3.10.5A (b) – the equity securities were issued for cash consideration as a placement under rule 7.1A to new and existing shareholders after exhausting TLU’s 15% capacity and time constraints limiting the Company from having the opportunity to use another type of issue.

Listing Rule 3.10.5A (c) – there are no underwriting arrangements in place.

Listing Rule 3.10.5A (d) – 6% fees were incurred in connection with the issue to a number of brokers involved in the deal, which the Company considers normal commercial practice for an entity of its size.

The required Appendix 3B and a cleansing Prospectus will follow.