



26 November 2015

Australian Securities Exchange Limited
Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000

Attention: Frieda Orr

Dear Frieda

ORCA ENERGY LIMITED (THE COMPANY) – ASX PRICE AND VOLUME QUERY

We refer to your letter dated 24 November 2015 in relation to the recent increase in the Company's share price and volume and respond to each of the questions as set out below:

- 1. *Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?***

Yes.

The Company refers to the separate announcement of today's date entitled "Company Update". As set out in the announcement, the Company is currently in discussion and negotiations in relation to a potential corporate transaction. The proposed parties to the transaction are progressing with their respective due diligence investigations parallel to the transaction negotiation. No agreement has been reached between the parties. There is no assurance that a final agreement will be reached on terms satisfactory to all parties.

- 2. *If the answer to question 1 is "yes":***

- a. *Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?***

Other than in relation to information contained in the Company's announcement of today's date, yes.

Prior to the price and volume query and the Company's trading halt, the Company considered the discussion and negotiations with the party referred to in the Company's response to Question (1) above were within the Listing Rule 3.1A exceptions.

The Company obtained shareholder approval for disposal of its main undertaking on 30 April 2015. Since this time, the Company has engaged in discussions with various parties on an informal basis in relation to potentially exploring corporate transactions.

The discussions and negotiations with the party referred to in the Company's response to Question (1) are ongoing and incomplete and no agreement has been entered into. As such, the Company considers that, other than the existence of such discussions and the nature of the proposed transaction, there is no additional information that can be released to the market.

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Nathan Rayner
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

REGISTERED OFFICE

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WEBSITE

www.orcaenergy.com.au

SHARE REGISTRY

Advanced Share Registry
150 Stirling Highway
Nedlands WA 6009

ASX CODE

OGY



The Company is relying on the Listing Rule 3.1A exceptions in relation to the proposed terms of the transaction (which are still being negotiated) and the relevant parties.

The Company will make a market announcement if and when the terms of the proposed transaction are agreed and when an agreement has been entered into with the relevant party. Alternatively, the Company will make a market announcement if negotiation of the proposed transaction ceases.

b. Can an announcement be made immediately?

Yes. The Company has prepared a market announcement entitled “Company Update” which will be lodged with ASX contemporaneously with this response to ASX.

c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable.

3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?

Not applicable.

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 concerning the Company’s continuous disclosure obligations.

Yours sincerely

Greg Bandy
Managing Director



24 November 2015

Mr Aaron Bertolatti
Orca Energy Limited

By email: aaron@orcaenergy.com.au

Dear Aaron,

ORCA ENERGY LIMITED: ASX PRICE QUERY

We have noted a change in the price of the Entity's securities from a close of \$0.014 on Monday 23 November to an intraday high at the time of writing of \$0.02 today, Tuesday 24 November 2015. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).



- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3p.m. WST tomorrow, Wednesday 25 November 2015**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at frieda.orr@asx.com.au and TradingHaltsPerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.



In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Frieda Orr
Adviser, Listings Compliance (Perth)