ESPERANCE MINERALS LIMITED (ASX: ESM) – ASX RELEASE

UPDATE ON CONSOLIDATION OF OIL SHALE INTERESTS

18 January 2012

Esperance Minerals Limited (ASX: **ESM**) is pleased to provide an update on the agreement between it and joint venture partner Greenvale Mining NL (ASX: **GRV**) to consolidate the ownership of the Oil Shale Projects into GRV. Under the agreement ESM has agreed to sell its interests in the projects to GRV in return for GRV shares with these, and ESM's existing holding of 3.6M GRV shares, to be distributed to in species to ESM shareholders by way of a capital return.

QER Pre-emptive Rights

The transaction was partially subject to the pre-emptive rights of minority joint venture partner Queensland Energy Resources **(QER)** the operator of the Rundle and Stuart oil shale projects. QER formally notified ESM and GRV of its intention to exercise its pre-emptive rights.

QER has now settled the purchase of its share of both the Nagoorin and Lowmead projects subject to its pre-emptive rights. Total consideration for the purchase under QER's pre-emptive rights was $1.55 million. Following settlement ESM's current cash at bank is $1.95m.

GRV and ESM Shareholder Approval

At a General Meeting of Members at Level 12, Castlereagh Street, Sydney NSW on November 30th 2011, GRV shareholders passed all necessary resolutions for the consolidation and issue of GRV shares to ESM to proceed.

The transaction remains subject to approval by ESM shareholders. The General Meeting of the Shareholders for ESM Shareholders to consider transaction will be held at 11:00am (EDST) on 31 January 2012 at Novus Capital Limited Boardroom, Level 24, 56 Pitt Street Sydney NSW 2000.

For further information please contact

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