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MERGER COMPLETION & INCENTIVE OPTION ISSUE

Following yesterday's General Meeting of Transerv Energy Ltd, where shareholders unanimously approved all resolutions to proceed with the merger with Latent Petroleum Pty Ltd, the transaction settlement is now scheduled for completion within the next 7 days.

As part of the merger process, the Board of Transerv has today resolved to issue a new tranche of Director and Management incentive options to the new Board and management team. The Company intends to issue up to 145m unlisted incentive options to the Directors and Mangement subject to shareholder approval, exercisable at 3.2 cents each and expiring on 30 June 2014, with certain vesting milestones attached.

The Company will convene a general meeting as soon as practicable to seek shareholder approval for this incentive option issue.

For and on behalf of the Board

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