

23 March 2011

ASX Release

ASX Code: TSV

COMPLETION OF MERGER WITH LATENT PETROLEUM

The Directors of Transerv Energy are pleased to advise that the Company has completed formal settlement of its merger with Latent Petroleum Pty Ltd. The new Transerv Energy now holds a 35% interest and operatorship of the Warro Gas Project, with joint venture partner Alcoa spending \$100m to earn a 65% interest in the Project. The new Transerv is led by an experienced oil and gas management team and Board of Directors.

New Board Appointments

Pursuant to the merger settlement, Mr Stephen Keenihan and Mr Will Barker have been appointed to the Board of Transerv Energy as Managing Director and Non-Executive Director respectively. Mr Keenihan is a well-respected and credentialed figure in the West Australian oil and gas industry, and as Managing Director his experience will be crucial in leading Transerv's operational activities on the Warro and Alberta projects in 2011 and 2012. Mr Barker's most recent role was with Arrow Energy as General Manager leading their coal seam gas to LNG development, and he has recently joined Transerv to assist with the development of the Company's assets.

Mr Stephen Keenihan- Mr Keenihan has more than 37 years experience in the energy industry, both domestically and internationally. He has previously held management roles with Apache Energy, Griffin Energy, Novus Petroleum, WMC Petroleum and LASMO. He has extensive expertise in oil and gas exploration activities and experience covering a broad range of disciplines including development, operations, commercial and marketing activities both operated and non-operated. Mr Keenihan is also a Non Executive Director of Grand Gulf Energy Limited.

Mr Will Barker- Mr Barker is a geologist with extensive experience in the exploration and development of unconventional gas projects in Australia. He holds a Bachelor of Science majoring in Geology from the University of Western Australia. Mr Barker's most recent role was as General Manager LNG for Arrow Energy Ltd. He was responsible for the overall management of the company's primary Coal Bed Methane to LNG export project. The maturing of the Surat Gas Project to Final Investment Decision was instrumental in triggering the A\$3.5 billion takeover of Arrow Energy by Royal Dutch Shell and PetroChina in August 2010. Mr Barker has previously been the Operations Manager for New Guinea Energy Limited, managing the company's conventional petroleum exploration activities in Papua New Guinea. He also spent over six years working for Sydney Gas Limited developing Coal Bed Methane projects in New South Wales.

Issue of Securities

Following the recent shareholder approval and as part of the settlement process, the Company has issued 1,764,000,147 Converting Shares and 336,000,000 Transerv Options to the shareholders and option holders of Latent Petroleum Pty Ltd, on the terms and conditions detailed in the Notice of Meeting. An Appendix 3B detailing these issues will be released shortly.

For any further queries with respect to the details of this transaction or the Company's upcoming activities at the Warro or Alberta projects, please contact the Company on +61 8 9389 2000.

For and on behalf of the Board