



5 March 2012

Mr Wade Baggott
ASX Compliance Pty Limited
Senior Adviser, Listings (Perth)
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Fax: +61 8 9221 2020

Dear Wade

SUBJECT: RESPONSE TO TRANSERV ENERGY LIMITED PRICE QUERY

In response to your Transerv price query for 5 March, we advise as follows:

1. The Company does not believe there is any unannounced information concerning it that would explain this recent increase in the Company's share price.

The decision by the WA Environment Minister on Friday March 2nd to allow the fracture stimulation of 4 tight gas and shale wells in Western Australia, and the subsequent reference in today's press to Transerv being one of the key beneficiaries of this decision, could possibly explain today's trading activity. This decision by the Environment Minister removes a critical hurdle to the further evaluation and potential commercialisation of tight and shale gas fields in Western Australia, including Transerv's Warro Gas Field which is located only 200km north of Perth and close to existing pipeline infrastructure.

In addition, the Company is close to completing the independent technical review of the Warro Gas Field that will be integral for the planning of the next phase of appraisal drilling operations, and is continuing to advance its Canadian oil and gas asset portfolio following its recent successful Alberta acreage sales.

2. N/A
3. Other than as detailed above, the Company does not have any explanation for the price and volume change in the securities.
4. The Company can confirm that it is currently in compliance with the Listing Rules, and, in particular, Listing Rule 3.1.

Yours sincerely
Transerv Energy Limited

A handwritten signature in black ink, appearing to read "Brett Mitchell".

Brett Mitchell
Executive Director



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

5 March 2012

Sophie Raven
Company Secretary
Transerv Energy Limited
Ground Floor, 1292 Hay Street
WEST PERTH WA 6005

By email

Dear Sophie

Transerv Energy Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on Friday 2 March 2012 of \$0.01 to an intraday high at the time of writing today of \$0.014. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020 or by email to wade.baggott@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than half an hour before the commencement of trading (6:30am WST) tomorrow.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- 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.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Wade Baggott

Senior Adviser, Listings (Perth)