

ASX

ANNOUNCEMENT

3 June, 2013

Rampart Alaskan Acquisition Completed and Fundraising Oversubscribed

Rampart Energy Ltd ('Rampart') is pleased to announce that it has successfully closed a financing of A\$1.8m in support of its agreement to participate in petroleum exploration in the prolific onshore North Slope of Alaska with Royale Energy Inc ('Royale')(NASDAQ:ROYL).

HIGHLIGHTS

- \$1.8m raised by DJ Carmichael to cover funding initial acquisition consideration for Alaskan acreage;
- Comparative transactions value area in the North Slope at over US\$2000 per acre;
- Rampart has an agreement to earn up to 38,000 net onshore acres in the prolific petroleum producing North Slope of Alaska (75% WI);
- Acreage surrounded by E&P Super Majors (Conocco, Shell, Repsol etc) and large independents;
- Very substantial potential for unconventional and oil shale plays;
- 3 new oil discoveries drilled by Repsol in 2012 (75% success rate) in acreage adjacent to Rampart.
- Significant scope for future funding via farmout or corporate transaction;
- Manageable, staged entry and earning thresholds focused on "in-ground" expenditures;
- Access to Alaskan cash rebate scheme for exploration expenditure with circa 45% of expenditure qualifying for cash rebates;
- Rampart and Royale corporate objectives and synergies are symbiotic;



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The conventional prowess of the North Slope of Alaska is slowly giving way to the unconventional oil boom. In support of the new wave of exploration to hit the North Slope, the Government of Alaska is reviewing the fiscal framework for further exploration in this booming sector. This is expected to further fuel the explosion in explorers into the region, and together with existing activity levels this will only heighten the potential for upward acreage revaluations.

By way of example, Repsol penned a deal with the private Armstrong Oil and Gas in March of 2011. According to the Repsol exchange release (March 7th), it expect to spend a minimum of US\$768m in cash and work program, which translates to roughly US\$2200 per net acre earned. This highly significant interest was based on reportedly the **conventional prospectivity only** and little value was attributed to unconventional shale potential at that time.

Further, Repsol's Chairman Antonio Brufau commented in its press release that "This deal is a perfect fit in our efforts to balance our exploration portfolio with lower risk, onshore oil opportunities in a stable environment. We are confident that our worldwide experience combined with a partner with an extensive local knowledge is going to deliver value in the near future."



In early April of 2013 Repsol announced that 3 of its 4 wells drilled were commercial discoveries. Further it should be emphasized that Repsol holds interests **adjacent to Rampart and Royale**. Repsol's belief and view in the prospectivity of their area, which directly adjoins that to be explored by the new JV, highlights the exceptional standing which this regional is held in by major petroleum sector players.

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Further positive third-party drilling results, like those reported recently by the Repsol JV, over the next 12 months will undoubtedly add value to the acreage being explored by Rampart and Royale.

At this juncture Rampart and Royale are , finalizing planning and parameters of the upcoming seismic survey, undertaking further data compilations and geoscientific reviews, and engaging with third parties on the future direction of the exploration program.

It is expected that a number of operational announcements will continue to be lodged with the exchange over the coming months.

Managing Director and Chief Executive Officer of Rampart Energy Limited, Mr Torey Marshall commented "To say that we have achieved a coup in delivering this project into Rampart is an understatement. It is potentially a world class asset, set in a region of world class explorers. We have no doubt that as this project matures a panoply of opportunities will unfold. We expect that a number of funding alternatives will present themselves in addition to those we are working on already. At this time, the sheer prospectivity of the area and the fast moving market is producing a strong tide of financing interest for this project".

*** Ends***

Torey Marshall, Managing Director +61 8 8223 1681

Funding Summary

Placement

232,300,000 fully paid ordinary shares at a placement price of \$0.0025 to raise up to approximately \$580,750 before costs of the offer were issued. The Placement Offer includes one attaching unquoted option exercisable at \$0.004 and expiring on 20 November 2013 for every one placement share allotted.

and

Convertible Loan

Unsecured loan to Rampart Energy Ltd of approximately \$1,219,250 before costs. At an extraordinary general meeting to be held as soon as possible, shareholders will be asked to approve conversion of the Loan Offer into fully paid ordinary shares at a conversion rate of \$0.0025 per share.

The Loan Offer will include one attaching quoted option exercisable at \$0.007 and expiring on 31 January 2016 (an existing class of quoted options) for every two shares allotted following shareholder approval to conversion of the Loan Offer.

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Alaskan Transaction Summary

- Agreement to earn up to 38,000 net acres in the prolific North Slope of Alaska across two contiguous blocks.
- To earn an initial 10% working interest in the Western Block
 - Pay US\$3.4m in two tranches (\$100 per gross acre), half by June 3 2013 and half by December 1 2013.
 - Issue Options to Royale to purchase US\$1.7m of RTD stock with a strike price of 150% of the VWAP prior to the signature on the agreement.
- To earn an additional 20% working interest in the Western Block; acquire a 3D seismic survey over both the Western and Central Blocks by March 31 2014.
- To earn a final 45% working interest in the Western Block; drill, test and complete two wells, including horizontal sections in target formations by March 31 2015.
- To earn the 75% working interest in the Central Block, RTD must complete the 3D seismic survey above, and pay an additional US\$1.7m by June 30 2014.