



ASX/MEDIA RELEASE
18 December 2018

Tesorillo Stage 2 Funding Completed

- **Prospex completes €280,000 second closing for additional 12.5% in Tesorillo**
- **Successful conclusion to 2018 field programme sees Prospex interest increase to 15%**

Petrel Energy Limited (ASX:PRL) is pleased to announce that AIM listed Prospex Oil and Gas Plc ("Prospex") has completed the second closing for an additional 12.5% in Tarba Energia SRL and the Tesorillo Project in southern Spain.

Under the Share Purchase Agreement ("SPA"), signed on 18 December 2017 it was agreed that Prospex could purchase up to a 49.9% of Tarba ordinary shares in three tranches. Initial consideration of €48,750 was paid at first closing for 2.5% and a further €280,000 was paid today at second closing for 12.5% to fund the current magnetotelluric programme. Final consideration of €1,725,000 is payable at the final closing for 34.9%, subject to, amongst other conditions, the completion of the magnetotelluric programme and the approval of an appraisal Tesorillo well for drilling within the 6-year licence period.

On completion €2,053,750 will be paid by Prospex to fund Petrel's share of an agreed Tesorillo work programme (estimated at €3,823,000) which includes the current magnetotelluric programme and if successful, a well to target the Almarchal-1 discovery drilled in 1956.

The Almarchal-1 discovery well was drilled in 1956 by the Spanish firm Valdebro and intersected a thick section of possible gas pay which upon testing flowed gas to surface. The well is located 3km from the North African Maghreb gas trunkline providing ready access to high priced European gas markets.

Managing Director, Mr. David Casey said "we are very pleased with the results of this year's field programme, and particularly the relationships built by Prospex with the local community and leading local experts at the University of Granada who assisted with detailed structural geology mapping. This clearly shows the benefits of having a local presence and people on the ground, and we are excited by the progress made and are hopeful, all things being equal, that this will translate to the drilling of a well towards the end of next year."

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