



13 June 2012

Companies Announcement Office
Via Electronic Lodgement

FULL UNDERWRITING OF PENOA OPTIONS SECURED

Peninsula Energy Limited (**Peninsula or the Company**) is pleased to announce that it has entered into agreements to ensure the exercise of 100% of all outstanding Peninsula Energy Limited options expiring on 30 June 2012 (**PENOA Options**).

In combination these agreements underwrite the exercise of all PENOA options, resulting in the Company receiving proceeds of \$11.1 million.

Peninsula has today executed an underwriting agreement with Hartleys Limited and Canaccord BGF Limited (**Joint Underwriters**) pursuant to which the Joint Underwriters will underwrite the PENOA Options, less those the subject of the Exercise Undertakings and the Pala Underwriting Agreement.

As previously announced on 1 June 2012, Peninsula has received undertakings from its major shareholder, Pala Investments Holdings Ltd (**Pala**), and from the Peninsula Directors that they will exercise all of their respective PENOA Options prior to the expiry date of 30 June 2012 (**Exercise Undertakings**). In addition, Peninsula and Pala have executed an agreement (**Pala Underwriting Agreement**) pursuant to which Pala will underwrite the exercise of listed PENOA Options that existing option holders choose not to exercise subject to Pala's total shareholding not exceeding 19.90% of the Company.

In accordance with ASX Listing Rule 7.2 (Exception 12) the securities issued to the Underwriters will not reduce Peninsula's ASX Listing Rule 7.1 capacity. The Joint Underwriters will be paid a fee of A\$475,000 and the agreement is subject to standard termination events.

Peninsula plans to commence construction at the Lance Projects in the second half of 2012 which will include installation and testing of a deep disposal well, installation of production monitoring wells, the ordering of certain components of the Central Processing Plant (**CPP**) and the commencement of civil works in preparation for the CPP. These pre-licensing construction activities are permissible, subsequent to changes to the NRC guidelines, and will shorten the overall project development timeline.

Peninsula's Executive Chairman, John (Gus) Simpson stated "***With debt financing advancing well, the underwriting of the exercise of the options will enable the Company to commence construction at Lance and further reduce the project development time. The continued support of our cornerstone shareholder Pala at this phase underpins the Company's efforts***".

On the permitting front the Company has purchased the land where the CPP will be located and the placing of the bond with the WDEQ is the final condition for the issue of the Permit to Mine and on having met all the relevant permit criteria required by the WDEQ, Peninsula understands that the Permit will be issued as a matter of course.

Yours sincerely



John (Gus) Simpson
Executive Chairman

For further information, please contact our office on +61 (0)8 9380 9920 during normal business hours.