



4 July 2012

Companies Announcement Office
Via Electronic Lodgement

LANCE PROJECTS DEVELOPMENT SUPPORTED BY \$11.1M PENOA OPTION CONVERSION

On 13 June 2012 Peninsula Energy Limited ("**Peninsula**" or "**the Company**") announced that it had entered into agreements to underwrite the exercise of all Peninsula options expiring on 30 June 2012 with an exercise price of \$0.03 each ("**PENOA Options**").

The Company advises that at the expiry date of the PENOA Options 49,049,150 PENOA Options expired unexercised ("**Shortfall**"). Pursuant to Peninsula's underwriting agreement with Pala Investment Holdings Limited ("**Pala**") announced on 1 June 2012, Pala will subscribe for 43,000,000 shares in Peninsula, being that number of shares required to increase Pala's shareholding to 19.90%.

The balance of the Shortfall, being 6,049,150 will be issued to clients of Hartleys Limited and Canaccord BGF Limited (**Joint Underwriters**) pursuant to the underwriting agreement announced on 13 June 2012.

In combination, the exercise of PENOA options by option holders and the underwriting agreements with Pala and the Joint Underwriters ensure the Company will receive proceeds of \$11.1 million, bringing the total funds raised by the exercise of the PENOA option class to \$12.5 million.

Proceeds raised will be applied to development and construction of the Lance Projects, Wyoming USA.

The Company's construction plans for the second half of 2012 include the installation and testing of a deep disposal well, installation of production monitoring wells, the ordering of certain components for the Central Processing Plant (CPP), and the commencement of civil works in preparation for the CPP.

Peninsula Executive Chairman John (Gus) Simpson stated *"the Company welcomes the strong take up of the PENOA options by our shareholders and the expanded participation of our cornerstone shareholder Pala."*

Yours sincerely

Jonathan Whyte
Company Secretary

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