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Companies Announcement Office
Via Electronic Lodgement

URANIUM SALES CONTRACT ALLOWS BLACKROCK DEBT DRAWDOWN AND LANCE CONSTRUCTION ACCELERATION

- **Final CP satisfied allowing draw-down of \$US22 million BlackRock facility**
- **Uranium sales agreement amended to allow securitisation**
- **Peninsula to accelerate pre-SML construction**
- **Grant of SML on schedule for March 2014**

Peninsula Energy Limited (Peninsula or Company) is pleased to advise that the second key condition precedent (CP) that allows the drawdown of notes issued to funds managed by BlackRock Financial Management, Inc. (BlackRock) has been met.

Under the terms of the notes two material CP's were required to be met before the \$US22m debt funds could be made available to Peninsula's wholly owned subsidiary Strata Energy Inc. (Strata) for the allowable pre-Source Material Licence (SML) construction.

The first material CP was the grant by the Wyoming Department of Environmental Quality Permit to Mine (PTM), which was granted in late 2012.

The second material CP was that Peninsula entered into a U₃O₈ sales agreement on terms satisfactory to BlackRock. Amongst other standard procedural items the terms required the sales agreement to have a net present value equal to or greater than the principal amount of the notes and to include clauses allowing it to be used as security in the unlikely event that Strata defaulted on the repayment of the notes.

Strata has an existing sale agreement with a US domiciled utility that has a value in excess of \$US80 million but for it be used to provide security to the notes (which was never an intended feature of its construction) it required significant amendments to be agreed by both the US utility and BlackRock.

These amendments included making BlackRock a party to the agreement with the right to replace Strata as the counterparty should a default occur. These negotiations have taken some time to conclude but the Company is pleased to inform shareholders that agreement has been reached and the second material CP has been met.

Peninsula Executive Chairman Gus Simpson stated, *"We are very pleased to have reached agreement with BlackRock and our US customer on the uranium sale agreement amendments. The continued support of both groups is greatly appreciated. Release of the BlackRock funds allows construction activities to be accelerated at the Lance Projects."*

Construction Activities

Funds from the release of the BlackRock notes will be utilised to accelerate construction currently under way at the Lance Projects. Whilst awaiting the CP completion Strata has used equity funds from Peninsula to commence the following activities:

- Offsite fabrication of long lead equipment items such as the ion exchange vessels, concentrate precipitation plant, yellow cake drying plant and reverse osmosis plant;
- Initial site civil works, including development of access roads;
- Construction of new site offices and laboratory; and
- Ongoing drilling and installation of monitoring wells at Production Unit One within the Ross Project Area.

A further announcement will be made by the Company regarding further capital raising matters no later than market pre-open on Thursday 17 October 2013.

Yours sincerely



John (Gus) Simpson
Executive Chairman

For further information, please contact our office on +61 (0)89380 9920 during normal business hours.