

24 March 2015

ASX Announcement

Company Update- Acquisition Completed On Texas Oil and Gas Assets

Key Points

- Citation has completed the acquisition of the North Chapman Ranch (18.2%) and East Texas Cotton Valley (21.75%) oil and gas projects from Range Resources Limited
- The NCR Russell-Bevly #2 appraisal well expected spud date is May 2015 – total dry hole AFE US\$3.4m (CTR's share ~US\$613k, prepaid in full), 30 day drill program
- Russell-Bevly #2 is an infill appraisal well located between the successful Smith #1 and Russell Bevly # 1 wells, which previously achieved combined production rates of 9.3 MMcf & 800 bbl of oil per day
- Atzam and Tortugas Oil Projects in Guatemala (CTR -60%) - Farm out negotiations advancing
- Corporate Restructuring Underway – New Director Appointment
- Executive search well advanced for high caliber oil and gas executive team
- Additional financing secured to complete Texas project acquisitions

Acquisition Completed On Texas Oil And Gas Projects – North Chapman Ranch (18.2% WI) and East Texas Cotton Valley (21.75% WI)

Citation Resources Limited ("Citation" or "the Company") is pleased to announce the formal completion of the acquisition of the North Chapman Ranch ("NCR") and East Texas Cotton Valley ("ETCV") project interests from Range Resources Limited (ASX: RRS / AIM: RRL) ("Range"), through the acquisition of Range Australia Resources (US) Limited ("RARL"), a 100% wholly owned subsidiary of Range which hold the respective interests in the two Texas Oil and Gas Projects.

Citation has pre-paid in full its share of the dry hole AFE costs (US\$613,000) to the Operator (Ventex Operating Corp.) for the upcoming Russel Bevly #2 appraisal well on the North Chapman Ranch project. This payment to the Operator satisfied the final condition of the NCR and ECV acquisitions from Range. The NCR Operator is now targeting a spud date in May 2015 and a 30-day drilling program for the Russel Bevly #2 appraisal well.

Russell Bevly #2 is an infill appraisal well located between the successful Smith #1 and Russell Bevly # 1 wells that previously achieved combined production rates of 9.3 MMcf & 800 bbl of oil per day following successful well stimulation¹.

Under the short term financing facility as previously announced with Maxmilian Capital LLC ("Maxmilian") to facilitate the acquisition of the Project interests, security over the subsidiary RARL will be provided. Under the agreement Maxmilian will hold the shares in RARL effectively on trust for up to 12 months, until a bullet repayment of US\$1.2m is made upon which the security is released and the Company will receive 100% of the issued shares in RARL. During this period the Company will be able to use any net revenue share from the Texas projects to reduce the final US\$1.2m repayment amount.

Texas Oil and Gas Projects - Russell-Bevly #2 Well To Spud

The North Chapman Ranch Project (Citation acquired 18.2% WI ²) is located in Nueces County, Texas, comprising approximately 1,680 acres. 6 wells have been drilled in NCR since 2008 to appraise the property (5 wells post Range's initial investment).

¹ As reported in the Range Resources Limited 2011 Annual Report

² The working interest with respect to NCR has a back in right from outside parties of up to 2.25%.

Following the commercial discovery of the Smith #1 well in December 2009, a multi well program was initiated that saw 4 appraisal / development wells drilled across the license area, with the latest well, the Albrecht #2 well, being drilled during the 2013/14 year, to determine the south-eastern extension of the Howell Hight (“HH”) sandstone reservoirs. Whilst the well encountered the HH at the predicted depth, it did not flow at a commercial rate after completion.

Following the Albrecht #2 well, the Operator (Western Gulf) completed a detailed technical review on the location of future wells, which has led to the recommendation that future development efforts should focus on the more proven area in the North that surrounds the successful Smith #1 and Russel Bevly #1 wells.

As a result the Operator has proposed the Russell-Bevly #2 well (“RB #2”), to target 40 acres of proven reservoir and to optimise infill well spacing following volumetric analysis on the current wells. RB #2 will be the first infill well on this 40 acre spacing between the successful Smith #1 and Russel Bevly #1 wells. The total dry hole cost of the well is estimated at US\$3.4m with an additional US\$1.3m for completion costs (CTR share of US\$0.24m) to tie into production.

This well is the first well in which the Company will participate in the NCR project, and is the first well in the project’s updated development focus, with a target spudding date of May 2015. If results mirror that of the Smith #1 and Russel Bevly #1 wells (which had combined production of 9.3 MMcf and 800 bbl of oil per day following successful well stimulation³), then it is likely that a multi-well development program would be justified.

The East Texas Cotton Valley Project (Citation acquired 21.75% WI) is located in Red River County, Texas, comprising approximately 1,570 gross acres and has one marginally successful horizontal well, the Ross 3H. This well encountered water influx however it still produced, with additional work being performed to determine the scope of water encroachment from the nearby field.

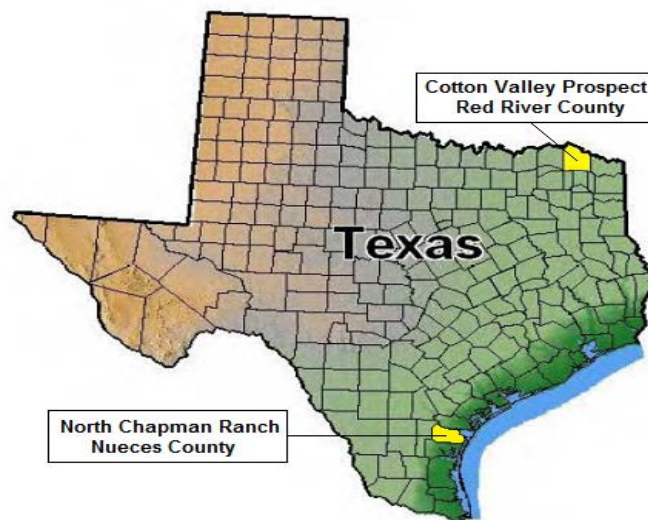


Figure 1: County Map of the State of Texas

Atzam and Tortugas Oil Projects - Guatemala

Citation currently holds a 60% interest in the Atzam and Tortugas Oil Projects in Guatemala. The Atzam 4 production has continued during the March quarter.

The Atzam 5 appraisal well testing program has been suspended for the past 5 months, with the program initially delayed to enable the Operator to complete further technical reviews and establish the optimal part of the C18 section to retest. The testing program has not been restarted since, and a majority of the prospective sections remain untested which include all the prospective zones from the C13 to C17 carbonates sections inclusive. The C17 carbonate is the producing section in the Atzam #4 well.

³ As reported in the Range Resources Limited 2011 Annual Report

As previously reported the Company is in advanced discussions to complete a comprehensive farm out arrangement to ensure the Project is fully funded for all short and medium term obligations. The process is significantly advanced with the goal to ensure Citation maintains a material interest in the Project after it is fully funded through significant Atzam and Tortugas development and exploration programs.

Board Changes and Oil and Gas Executive Management Team

The Company advises that Mr Michael Curnow has stepped down as a Non-Executive Director of the Company. The Board would like to express its sincere appreciation to Mr Curnow for his services to the Company over the past 3 years, having seen the Company transition into the oil and gas sector and wishes him well in his future endeavors.

Mr Anthony Eastman has been appointed to the Board as a Non-Executive Director to replace Mr Curnow. Mr Eastman has extensive commercial and natural resources / oil and gas credentials, critical for the development of the existing and new projects held by the Company. Mr Eastman was formerly a director of Range Resources Limited, and has been involved in a number of ASX and AIM junior resources / oil & gas focused Companies. Mr Eastman is also Joint Company Secretary for Citation.

Additionally, the Company is well advanced in its search for a high calibre oil and gas executive management team to drive the Company's existing and future project opportunities.

Since 1 January 2015 and during the period that the Company continues to complete the current asset, finance and corporate restructuring, all directors reduced their annual salaries to non-executive remuneration of \$36,000 per annum. Importantly, no cash payments of director fees or related party payments have been paid since September 2014, and will not be paid or settled until the Company is successfully restructured and financed.

Short Term Financing

The Citation Board of Directors continue to review a number of financing proposals to support the Company as it builds its management team and development plans. In addition, to supplement the Maxmilian Capital LLC facility, the Company entered into an unsecured A\$310,000 convertible note facility to fund the balance of the AFE payment to the operator ahead of spudding the Russel Bevely #2 appraisal well.

The key terms of the unsecured A\$310,000 convertible notes were:

1. Unless converted into ordinary shares in the Borrower in accordance with this Deed, the Principal Sum will be repaid by the Borrower in the amount of the Principal Sum, plus 25% interest cost (calculated as 125% of the Principal Sum) (Interest) with 12 months.
2. The Principal is repayable either:
 - (a) Subject to shareholder approval being obtained (if required), at the election of the Lender, through conversion into ordinary shares of the Borrower at the lower of the price equal to the price the Borrower may raise equity within 12 months of the Draw Down Date or at an 80% VWAP price for 5 days before conversion ; or
 - (b) Repaid in cash before the Due Date by the Borrower; or
 - (c) A combination of (a) and (b) as agreed by the Parties.

Suspension from ASX Quotation

The Company's securities will remain in suspension as per its request on 10 March 2015, as it looks to finalise a number of the material events referred to above with respect to its corporate, project and management restructuring until 31 March 2015 or later, as required for completion of these matters.



Please also see attached an Appendix 3X and 3Z for the relevant non-executive directors.

For and on behalf of the Board

Appendix 3Z

Final Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Citation Resources Limited
ABN	90 118 710 508

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of director	Michael Curnow
Date of last notice	8 November 2012
Date that director ceased to be director	20 March 2015

Part 1 – Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
500,000 Ordinary Shares
2,000,000 Listed Options (\$0.04, 15 December 2015) (ASX: CTRO)

Appendix 3Z

Final Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest <small>Note: Provide details of the circumstances giving rise to the relevant interest</small>	Number & class of securities
Gold Service Industries Pty Ltd ITF <The Bambino Family Trust>	500,000 Ordinary Shares (ASX: CTR) 2,000,000 Listed Options (\$0.04, 15 December 2015) (ASX: CTRO)

Part 3 – Director's interests in contracts

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
No. and class of securities to which interest relates	N/A

Date of this Notice: 24 March 2015

+ See chapter 19 for defined terms.

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Citation Resources Limited
ABN	90 118 710 508

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mr Anthony Neville Chisholm Eastman
Date of appointment	20 March 2015

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
3,900,000 Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3X

Initial Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Number & class of Securities
Ms Kelly Ann Mills (wife)	3,000,000
Smiding Pty Ltd <Tournesol a/c>	900,000

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	-
Nature of interest	
Name of registered holder (if issued securities)	
No. and class of securities to which interest relates	

+ See chapter 19 for defined terms.