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Companies Announcement Office

Via Electronic Lodgment

DEEP DISPOSAL WELL SUCCESSFULLY COMPLETED AT LANCE PROJECTS

Peninsula Energy Limited (Peninsula or the Company) is pleased to announce the successful completion of the deep disposal well (DDW) for stage 1 Lance In-Situ Recovery (ISR) Projects in Wyoming, USA. Peninsula's wholly-owned subsidiary Strata Energy Inc. (Strata) continues development at the Lance Projects on budget and on schedule for first production H2, 2015.

Drilling of the DDW commenced in March 2015 and was drilled to a target depth of 8,607 feet ahead of schedule. On conclusion of the primary drilling activity, a work-over and completion rig was mobilised to site in April 2015 to finalise completion of the well and carry out well performance tests.

An 18-hour performance test of the DDW demonstrated an injection rate of 35 gallons per minute (gpm), well in excess of the 20 gpm requirement for stage 1 operations. The 35 gpm injection rate was achieved using a pump pressure of only 27 pounds per square inch (psi) while the well is approved for pumping pressure of up to 1,000psi. Simulation modelling also confirmed the expectation that the DDW will be available for approximately 10 years use.

The completion and performance of the DDW is an outstanding success and at a cost of approx. US\$3.3m was the major cost over-run risk to the project. Other recent project start-ups in Wyoming have had to complete up to three DDW's before achieving the required disposal rate.

The Central Process Plant (CPP) construction and wellfield development activities continue to progress to both cost forecasts and time schedules. All ion exchange columns and pressure vessel tanks have been installed in the CPP (refer figure 3 below). Cladding of the building housing the site workshop, laboratory and administration office have been completed and are now undergoing internal build-out and finishing (refer figure 4 below).

The third round of wellfield baseline water sampling for Ross Permit Area Mine Unit 1 was completed on June 1. The fourth and final round of baseline water sampling will be completed on June 15, enabling the wellfield package to be submitted to the US Nuclear Regulatory Commission and Wyoming Department of Environmental Quality for review and final approval prior to the commencement of operations.

Strata Energy Chief Executive Officer Ralph Knode stated *"Successful completion of the deep disposal well marks a significant milestone in the construction and development activities for the Lance Projects. Also completion of the DDW earlier than scheduled allows the project team to focus on the remaining CPP construction, production wellfield development and pre-operational readiness activities."*



Figure 1: Deep Disposal Well drilling rig



Figure 2: DDW drilling rig operational observation platform



Figure 3: Ion exchange columns and pressure vessel tanks installed in CPP



Figure 4: External finishing activities in progress at site workshop and administration building

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Andrew Simpson'.

John Andrew Simpson (Gus)
Executive Chairman
Peninsula Energy Limited

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