



21 September 2017

Companies Announcement Office
Via Electronic Lodgement

GRANT OF UNLISTED OPTIONS TO MANAGING DIRECTOR/CEO

Peninsula Energy Limited (Peninsula or Company) advises that it has resolved to grant 900,000 unlisted options to its Managing Director/CEO, Mr. Wayne Heili.

As Mr Heili approaches the six-month anniversary of his appointment as Managing Director and CEO of Peninsula, the Board of the Company wishes to recognise the quality of his contribution to date and to align better his total remuneration with his role of growing shareholder value over time. Subject to shareholder approval, the Board has granted Mr Heili options on the following terms and conditions.

Vesting Conditions

The unlisted options granted to Mr Heili will vest in equal proportions over a 3 year period. The first vesting date will be 1 July 2018, the second 1 July 2019 and the third will be 1 July 2020. To be eligible for options to vest on a vesting date, Mr. Heili must continue to be employed by the Company.

Should Mr. Heili voluntarily resign from the Company or the Board, any unvested options shall lapse.

Unlisted Option Terms

The unlisted options granted to Mr. Heili will have a strike price of A\$0.50 per share, which is the same price as the most recent placement and Share Purchase Plan undertaken by the Company. The expiry period for each tranche of options will be 30 November 2022. The key terms are summarised as follows:

- Unlisted Option A
 - Number of Options Granted: 300,000
 - Strike Price: A\$0.50/share
 - Vesting Date: 1 July 2018
 - Expiry Date: 30 November 2022

- Unlisted Option B
 - Number of Options Granted: 300,000
 - Strike Price: A\$0.50/share
 - Vesting Date: 1 July 2019
 - Expiry Date: 30 November 2022

- Unlisted Option C
 - Number of Options Granted: 300,000
 - Strike Price: A\$0.50/share
 - Vesting Date: 1 July 2020
 - Expiry Date: 30 November 2022

The issue of these options will be subject to the receipt of shareholder approval at the Company's 2017 Annual General Meeting.

The key terms of Mr. Heili's employment agreement remain the same and are detailed in the Annexure to this announcement.

Yours sincerely



John Harrison
Non-Executive Chairman

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

Annexure**MANAGING DIRECTOR / CEO EMPLOYMENT TERMS**

Peninsula wishes to advise the key terms of Mr Heili's employment agreement remain the same and are as follows:

- Effective Date: The employment agreement is effective 3 April 2017;
- Total Fixed Remuneration: Base Salary US\$300,000 per annum (recently increased by 2% in line with Company-wide periodic cost of living increases), retirement plan contributions 3.5% of Base Salary and provision of medical benefits under the Company's United States medical benefits plan;
- Short term incentives up to 50% of Base Salary based on an annual gateway objective and on targets agreed with the Board each year;
- Long term incentives under the Company's Restricted Stock Unit Plan up to 50% of Base Salary based on an annual gateway objective agreed with the Board each year, payable in restricted share units, vesting over a three year period and subject to shareholder approval;
- Employment can be terminated by the Company or by Mr Heili at 6 months' notice. If the Company elects to terminate the employment agreement for reasons other than Mr Heili's gross misconduct or default, Mr Heili will be entitled to 6 months' Base Salary. Certain agreed trigger events will lead to Mr Heili having the option to terminate the agreement and receive a payment equal to 6 months' Base Salary; and
- The employment agreement is on-going with no fixed term.