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Companies Announcement Office
Via Electronic Lodgement

PENINSULA LOOKS TO DIVEST ITS INTEREST IN THE KAROO PROJECTS

Peninsula Energy Limited (**Peninsula or Company**) wishes to advise that the Company has decided to exit and sell its interests in the Karoo Projects in South Africa (**Karoo Projects**). Peninsula intends to complete a divestment of its 74% interest in the Karoo Projects through an active process over the remainder of the 2017 calendar year. Dependent on the nature of any transaction, Peninsula may opt to retain some level of exposure to the Karoo Projects, albeit at a significantly reduced level to that which it currently holds.

While the Company has advanced the Karoo Projects appreciably from exploration to early stage prefeasibility over the past decade, the Company has decided to focus its future capital expenditures on the operating Lance Projects in Wyoming, USA, to best take full advantage of its long term sales contracts, which are well above current and forecast spot prices and extend out to 2030. As a consequence of this, the Company has determined that it does not wish to devote significant further capital to progressing its less advanced secondary project. In addition, the recently completed internal pre-feasibility study now provides a more comprehensive suite of project data for potential acquirers to review.

Peninsula recognises the importance of continuing to support its South African partners and stakeholders in the pursuit of the regulatory permitting processes for the Karoo Projects during the divestment process. The company is committed to full compliance with all applicable legislation throughout this divestment process.

With the on-going challenges in the uranium market, the longer term growth and value creation opportunities for the Company are more likely to be centred on cost competitive uranium ISR operations like the Lance Project, seeking value accretive acquisition opportunities and capitalising on the core competencies and strengths of the Company in the ISR field.

Further information will be provided in the coming months as the divestment process progresses.

Yours Sincerely,

Wayne Heili
Managing Director & Chief Executive officer

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during normal business hours.

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