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Companies Announcement Office
Via Electronic Lodgement

US\$19M CASH REALISED THROUGH CONTRACT TRANSACTION

Highlights

- Peninsula strengthens cash position by US\$19.0 million
- Transaction accelerates the timing of net income from the balance of certain existing uranium concentrate sale and purchase agreements.
- Peninsula retains a strong contract book with up to 6.6 million pounds U₃O₈ remaining under contract at an average price of US\$51-53 per pound U₃O₈.
- With a strong cash position and additional financial flexibility, the Company no longer has a need for its undrawn working capital loan facility.

Sale of Uranium Contracts

Peninsula Energy Limited (**Peninsula or the Company**) is pleased to announce that it has signed binding agreements to sell a portion of its interests in existing long-term uranium concentrate sale and purchase agreements for cash consideration of US\$19.0 million (**Contract Sale**).

Under the terms of the Contract Sale, Peninsula has sold to a third-party a portion of its delivery commitments under two (2) existing uranium concentrate sale and purchase agreements. The quantity of delivery obligations sold represents 935,000 pounds of U₃O₈. The delivery commitments were scheduled to be fulfilled between 2018 and 2021.

As part of the Contract Sale, Peninsula has also sold its entire interest in an agreement to purchase 900,000 pounds U₃O₈ between 2018 and 2020. This purchase commitment is no longer required as uranium purchases under this agreement were intended to provide the bulk of the material for the delivery commitments that have now been satisfied through the Contract Sale.

Proceeds from the Contract Sale of US\$19.0 million were received in full by Peninsula on 31 January 2018.

Peninsula Managing Director/CEO Wayne Heili stated; "One of Peninsula's defining strengths is our sales contract portfolio. Today we have greatly enhanced our current financial position by accelerating some of the income potential contained in that portfolio. This non-dilutive cash infusion should allow the Company to comfortably advance our production improvement initiatives at the Lance Projects."

On behalf of the Peninsula Board, Mr Heili also commented, "Peninsula greatly appreciates the full cooperation of our counterparties in this transaction. The professionalism and creativity exhibited by these industry leaders was on full display throughout the process of arranging this transaction."

Updated Uranium Contract Portfolio

Following completion of the Contract Sale, Peninsula has up to 6.6 million pounds U₃O₈ remaining under contract for delivery between 2018 and 2030 with its customers in North America and Europe. The weighted average delivery price of these contracts is US\$51-53/lb U₃O₈. Deliveries under the agreements are to be a combination of uranium sourced from Peninsula's Lance Projects in Wyoming, USA, and open origin uranium that the Company may purchase on the open market.

The Company continues to engage with its existing and potential new customer base regarding possible new long-term uranium concentrate sale and purchase agreements targeting pricing mechanisms that would support increased production scenarios under the planned transition to low pH mining at the Lance Projects.

Financial Flexibility

Cash proceeds of US\$19.0 million provide additional financial flexibility as the Company progresses the transition to low pH mining at the Lance Projects. In addition to providing general working capital, part of the proceeds from the Contract Sale will be used to progress the low pH permit amendments, complete additional technical testing, and complete a low pH feasibility study.

With the additional cash inflow, Peninsula does not anticipate the need for a working capital facility over the next 1 to 2 years. Therefore, the Investec working capital facility has not been extended. This action reduces corporate overhead expenses by eliminating the associated line fees, undrawn commitment fees and interest on drawn working capital amounts. The working capital facility had been undrawn since October 2017 and no debt repayments were required to close it out.

Quarterly Activities Statement and Webcast

A webcast will be hosted by the Company on 6 February 2018 regarding this announcement and its Quarterly Activities Statement for the quarter ended 31 December 2017. Registration details for those who wish to attend the webcast were released on 24 and 31 January 2018.

Trading Halt

This is the announcement that was referred to in the Company's request for a trading halt on 30 January 2018.

Yours sincerely,



Wayne Heili
Managing Director/CEO

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