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Australian Securities Exchange Limited  
Company Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## Appointment of Managing Director

Challenger Energy Limited (ASX: CEL) is pleased to advise of the appointment of Mr. Robert A. Willes to the position of Managing Director. Mr. Willes will take up his new role on 8th April 2013.

Mr. Willes has over 25 years of extensive international experience in the oil and gas and energy industries – primarily with BP (formerly British Petroleum). He has an Honours Degree in Geography from Durham University in the UK, and has completed Executive Education Programmes at Harvard Business School in the USA and Cambridge University in the UK.

Mr. Willes' early career with BP involved several positions in petroleum product supply, trading, and marketing, and as a lead negotiator for numerous gas transactions in Europe. Subsequently, he became Project Manager of Group Mergers and Acquisitions, where he led the divestments of Burmah Castrol's Chemicals Division and Great Yarmouth Power Ltd, and advised the Corporation on a number of acquisition opportunities.

Upon his assignment to Australia, Mr. Willes became BP's General Manager of the North West Shelf LNG Project. In this role, he had accountability for strategy, production, safety, marketing, and profitability. He secured BP's investment approval for the North West Shelf Train 5 LNG Expansion, managed the negotiation of several key LNG contracts with Japanese utilities, and oversaw the closing of the North West Shelf's Project's landmark, A\$25 billion LNG sale into China.

Mr. Willes also had overall accountability for BP's interests in the Browse LNG and Greater Gorgon LNG Projects, and for Business Development activities in Asia Pacific. In this latter role, he developed new hub strategies around the Bontang and Tangguh LNG Projects in Indonesia, secured multiple conventional and unconventional Production Sharing Contracts in Kalimantan and West Papua, Indonesia, and was instrumental in securing a Coal Bed Methane-to-LNG Project in Kalimantan, Indonesia.

More recently, Mr. Willes was Chief Executive Officer of Eureka Energy Limited, and was instrumental in managing the recommended A\$107m On-Market Takeover by Aurora Oil and Gas Limited.

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Mr. Willes is a Co-founder and Director of Carbon Reduction Ventures Pty Limited, and a member of the board of the Perth Centre for Photography Inc. He is also a member of the Australian Institute of Company Directors and the Association of International Petroleum Negotiators, and was formerly a Director of the Australian Petroleum Production and Exploration Association (APPEA).

Mr. Willes replaces Mr. Paul Bilston as Managing Director, Paul will remain on the board as a Non Executive Director and assist with the ongoing development of the South African Project. Mr Mike Much will resign from the board effective 8<sup>th</sup> of April 2013. Appendix 3X for Mr Willes and Appendix 3Z for Mr Much will be lodged in due course.

Mr. Willes remuneration package will consist of an annual salary of \$375,000 and, subject to shareholder approval, an equity package comprising 4,000,000 shares (in equal six monthly instalments of 666,667 shares, with each instalment conditional on Mr Willes being employed by CEL at that time) and a long term incentive plan comprising 16,000,000 shares subject to the satisfaction of performance based milestones, details of which will be set out in a notice of meeting to be despatched to shareholders shortly. Mr Willes will also be entitled to a short term incentive, likely to be paid in cash, to be agreed that reflects comparable levels of benefits paid to CEOs and managing directors of peer group companies of similar market capitalisation. CEL may terminate Mr Willes employment with 3 months notice (or payment in lieu) plus a payment equal to 3 months' salary.

Commenting on the appointment of Mr. Willes, Mr. Michael Fry, Challenger's Chairman, said, *"It is with great pleasure that we welcome Mr. Willes to Challenger. His in-depth commercial, M&A, and joint venture operations experience in the international oil and gas industry, along with his senior executive and leadership skills, will be invaluable as we seek to unlock the potential of Challenger's current asset base and grow the business in South Africa. On behalf of the Company I would like to thank both Paul and Mike for all of their work and invaluable contributions to the Company."*

Yours sincerely,



**Michael Fry**  
Chairman