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SOUTH AFRICAN MEDIA REPORTS GOVERNMENT TO PROCEED WITH SHALE GAS DEVELOPMENT

PERTH: Unconventional oil and gas explorer Challenger Energy Limited (ASX code: CEL) advises that a number of South African news outlets have reported that, during a community engagement meeting on shale gas development at Richmond in the Northern Cape, South African Mineral Resources Minister Mosebenzi Zwane stated that:

“Based on the balance of available scientific evidence, government took a decision to proceed with the development of shale gas in the Karoo formation of South Africa”

and that:

“The finalisation of Mineral and Petroleum Resources Development Act (MPRDA) amendments will also help to expedite the development of shale gas.”

This follows a radio interview in February during which the Minister stated that the MPRDA should be “finalised by June”.

Challenger welcomes these positive indicators of progress towards the finalising of key legislation and the determination of the applications for exploration rights received by the government.

Links to South African news reports and the radio interview may be found on Challenger’s website.

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CHALLENGER ENERGY (ASX code: CEL) is focused on the emerging, world-scale shale gas province in South Africa's Karoo Basin. The Karoo is strategic, and central to the South African Government's agenda, given the country's power crisis and need for economic growth, jobs and infrastructure development. Through its South African subsidiary, Bundu Gas and Oil Exploration Pty Ltd, Challenger was first to recognise this opportunity and to apply for exploration rights in the Karoo - and has since been followed by Shell and Falcon Oil and Gas, which has brought Chevron in as a joint venture partner.