



20 April, 2011

Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Challenger Fully Funded to Progress Triple Crown

Key Points

- **Share Placement to raise \$7.1M at \$0.15 per share**
- **Placement closed oversubscribed, and was managed by Patersons Securities Ltd.**
- **Challenger fully funded to progress appraisal activity on its Triple Crown Prospect.**

The Board of Challenger Energy Ltd ("Challenger") is pleased to announce that it has successfully completed a private placement of A\$7.1 million to fund the further development of its exciting Triple Crown Project in Texas.

The private placement, which was managed by Patersons Securities Ltd was oversubscribed with strong support from sophisticated and institutional investors.

Challenger Energy will apply the core of the funds raised to focus on the further advancement of its Triple Crown project including:

- Acquisition of additional land in the project area
- Fracture stimulation and testing of the well recently drilled on the project
- Ongoing geological testing and evaluation activities.

The Triple Crown Project which is located in Texas is estimated to have Original Gas in Place of 9.0 TCF in a number of different zones.

In addition, funding will also be used to support the Company's ~ 800,000 acre application to explore for Shale Gas at Cranemere in the Karoo basin in South Africa.

The share placement announced today will be progressed through the issue of 30.667 million fully paid ordinary shares at A\$0.15 per share (raising a total of A\$4.6 million before costs). These shares will be issued under the Company's existing placement capacity. A further 16.66 million fully paid ordinary shares at A\$0.15 will be issued subject to shareholder approval (raising an additional A\$2.5 million before costs). The new shares will rank equally with the Company's existing ordinary shares.

The Company expects to hold a shareholders' meeting regarding the approval to issue such shares in late May 2011. Further information and documentation regarding the shareholders meeting will be distributed to shareholders shortly.

Yours faithfully,

For and on behalf of Challenger Energy Limited

A handwritten signature in blue ink, appearing to read "Paul Bilston". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Bilston
Managing Director