

5 December 2014

Bundu commences stakeholder consultation

PERTH: Unconventional gas explorer Challenger Energy (ASX code: CEL, CELO) is pleased to advise that its subsidiary, Bundu Gas and Oil Exploration Pty Ltd (Bundu) has reviewed and revised its Environmental Management Programme (EMPr) originally submitted in 2010 in support of its application for a shale gas Exploration Right in South Africa's Karoo Basin, as requested by PASA, the Petroleum Agency SA (ASX 27 October 2014).

Bundu has appointed Golder Associates, an independent environmental consultancy, which has undertaken the update of the EMPr and commenced the process of notifying and consulting with interested and affected parties in respect of the revised document. The revised EMPr, together with reports of the record of public consultation and results thereof are to be submitted to PASA by 27 February 2015.

Pending the promulgation of new Technical Regulations on Petroleum Exploration and Exploitation, the updated EMPr describes a revised work programme that includes only seismic studies and drilling, the assessment of potential positive and negative impacts related to these activities, and proposes mitigation measures to manage potential negative impacts.

Challenger Managing Director Robert Willes said: "We welcome this opportunity to progress the application process and look forward to engaging with local communities and stakeholders."

The EMPr will be available for public review from Monday, 8 December 2014 and open for comment until Monday, 16 February 2015.

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***CHALLENGER ENERGY (ASX code: CEL, CELO)** is focused on the fast-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.*

***Petroleum Agency SA (<http://www.petroleumagencysa.com>)** promotes exploration for onshore and offshore oil and gas resources and their optimal development on behalf of government. The Agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.*