

13 May 2016

ASX Market Announcements
Australia Securities Exchange

Expiry of Options – Waiver of Listing Rule 6.24

Challenger Energy Limited (the “Company”) (ASX: CEL) notifies the holders of the Company’s 65,896,502 quoted options (exercisable at \$0.20 expiring on 30 June 2016) (ASX: CELO) (“Options”) that the Options will expire at 5.00 pm AEST on 30 June 2016.

The Company advises that it has been granted a waiver from ASX Listing Rule 6.24 on the basis that the Options are significantly out of the money and the likelihood of holders exercising the Options is remote. Accordingly, option expiry notices will not be sent to holders of Options unless the market price of the Company’s ordinary shares exceeds \$0.15 before 30 June 2016.

In accordance with paragraph 6.1 of Appendix 6A of the ASX Listing Rules and the terms of the waiver granted, the Company provides the following information:

- the number of options to which this notice applies is 65,896,502;
- each option exercised entitles the holder to receive one fully paid ordinary share in the Company. If all of the options were exercised, 65,896,502 fully paid ordinary shares in the Company would be issued;
- the exercise price for each option is \$0.20;
- the due date for payment of the exercise price is 5.00 pm AEST on 30 June 2016 (Expiry Date);
- If payment is not received before the Expiry Date, the Options will expire unexercised and all rights will cease;
- official quotation of the options will cease on 23 June 2016, being five business days before the Expiry Date;
- the market price of fully paid ordinary shares in the Company on 10 May 2016 (being the last trading day prior to the date of this notice) was \$0.035;
- during the last three months preceding the date of this notice, the highest market price of fully paid ordinary shares in the Company was \$0.041 on 15 March 2016 and the lowest market price is \$0.025 on 1 March 2016; and
- no underwriting agreement currently exists in respect of these Options.

ENDS -

INVESTOR CONTACT:

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