



Azonto Petroleum Limited

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To: Company Announcements Office
ASX Limited, Exchange Centre
20 Bridge Street
Sydney NSW 2000



14 June 2017

ASX Code: APY

ASX Waivers

The Company is pleased to advise that it has been granted a waiver of Listing Rules 1.1, Condition 12 and 2.1 Condition 2 to allow the Company:

- to have options on issue on completion of the Proposed Transaction with exercise prices of less than \$0.20; and
- to issue shares pursuant to the Capital Raising at a price less than \$0.20 per share.

Refer to the Company's announcements of 1 May 2017 and 6 June 2017 for further detail in relation to the Proposed Transaction and Capital Raising.

The terms of the waivers provided by ASX are as follows.

"1. *Based solely on the information provided, in connection with the proposed acquisition by Azonto Petroleum Ltd ("Company") of 100% of the issued capital of Calima Energy Ltd ("Calima") ("Acquisition") and entry into a farm-in agreement to acquire up to a 55% working interest ("Farm-in") in an unincorporated joint venture in respect of oil & gas licenses over the Montney Formation in British Columbia, Canada (the Acquisition and Farm-in together the "Transaction") and the proposed issue of at least 50,000,000 fully paid ordinary shares in the issued capital of the Company ("Share") under a public offer to raise at least \$2,250,000 ("Capital Raising"), ASX Limited ("ASX") does the following.*

1.1 *Grants a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the exercise price of the following options:*

- *10,000,000 unquoted options exercisable at \$0.09 on or before 5 years from the date of their grant;*
- *10,000,000 unquoted options exercisable at \$0.12 on or before 5 years from the date of their grant;*
- *10,000,000 unquoted options exercisable at \$0.045 on or before 3 years from the date of their grant; (together the "Options") and*
- *19,450,000 performance rights exercisable subject to vesting conditions on or before 5 years from the date of their grant ("Performance Rights"),*

not to be at least \$0.20, subject to the following conditions.

- 1.1.1 The exercise price of the Options is not less than \$0.02 each.*
- 1.1.2 The terms of this waiver are immediately disclosed to the market and, along with the terms and conditions of the Options and the Performance Rights, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 in respect of the Transaction (“Notice”) and in the prospectus to be issue in respect of the Capital Raising (“Prospectus”).*
- 1.1.3 The Company’s shareholders approve the exercise price of the Options in conjunction with the approval obtained under listing rule 11.1.2 in respect of the Transaction.*

1.2 Grants a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the issue price of the Shares proposed to be issued pursuant to the Capital Raising (“Capital Raising Shares”) not to be at least \$0.20 per Share, subject to the following conditions.

- 1.2.1 The issue price of the Capital Raising Shares is at least \$0.02 per Share.*
- 1.2.2 The Company’s shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under listing rule 11.1.2 in respect of the Transaction.*
- 1.2.3 The Company completes a consolidation of its capital structure in conjunction with the Transaction and Capital Raising such that its securities are consolidated at a ration that will be sufficient, based on the lowest price at which the Company’s securities traded over the 20 trading days preceding the date of the announcement of the Transaction, to achieve a market value for its securities of not less than \$0.02 each.*
- 1.2.4 The Company immediately releases the terms of this waiver to the market.*

The Company notes that the numbers in the waiver terms above assume the Company’s proposed 1 for 3 consolidation has taken effect.

Azonto Petroleum Limited

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