

6 March 2015

PEAK LOAN FROM OCTANEX AND ASX WAIVER TO LISTING RULE 10.1

Peak Oil & Gas Limited (**Peak or Company**) (ASX Code: PKO), Peak's wholly owned subsidiary Peak Oil & Gas (Australia) Pty Ltd (POGA) (together **Peak Group**) and Octanex NL (**Octanex**) have entered into an Amended and Restated Loan Agreement and associated security documentation.

In May 2014, Peak and Octanex entered into a loan facility agreement (**Loan Facility**) with associated security documentation, pursuant to which Octanex funded Peak's budgeted outgoings until the end of 2014.

In December 2014, following a decision by Octanex not to extend the end date for the implementation of the proposed schemes of arrangement (schemes) for the merger of Peak into Octanex, Peak terminated the proposed schemes.

On 31 December 2014 Peak and Octanex agreed to reschedule Peak's debt due to Octanex of approximately \$1.95 million. As a first step in that process, Octanex and Peak agreed to extend the due date for repayment of the debt until 1 March 2015 in order for detailed agreements to be entered into.

Such detailed agreements have now been entered into and key principles are summarised below.

- a) Peak Group's indebtedness to Octanex is fixed as at 31 December 2014 at \$1,953.815 which, from 1 January 2015, will bear interest at the RBA cash rate from time to time. Unpaid interest will be capitalised.
- b) The revised terms provide for extensions of the Due Date for payment of Peak Group's debt to Octanex on a recurring 60 day cycle with possible extensions on a rolling basis for a maximum of 18 months from 31 December 2014 to 30 June 2016, subject to Octanex not terminating the arrangement at any time during a 60 day period.
- c) During each 60 day extension period Peak Group and Octanex will consult as to steps being taken or available to Peak Group to repay its indebtedness to Octanex.
- d) Peak and POGA have assumed joint and several liability to repay all such moneys which were advanced by Octanex to Peak Group and which were used substantially by POGA to fund its obligations in relation to South Block A in Indonesia as previously advised to the market.
- e) the loan documentation has been revised with an Amended and Restated Loan Agreement being entered into and both Peak and POGA have, pursuant to a further ASX waiver granted on 27 February 2015, granted charges over their assets to secure repayment of the Peak Group's indebtedness in due course.

ASX Waiver to Listing Rule 10.1

Peak was granted a waiver to Listing Rule 10.1 from the ASX in May 2014. Peak has sought a further waiver, which has been granted subject to the following conditions:

1. "The Facility and the Charge include a term that if an event of default occurs and Octanex, or any of its associates, exercise their rights under the Charge, neither Octanex nor any of its associates can acquire any legal or beneficial interest in the Company or an asset of the Company in full or part satisfaction of the Company's obligations under any of the Facility or Charge, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Octanex) appointed by Octanex exercising its power of sale under the Facility or Charge and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Octanex or any of its associates in accordance with their legal entitlements.
2. A summary of the material terms of the Charge is made in each annual report of the Company while the Charge is held over the Company and its assets.
3. Any variations to the terms of any of the Facility or the Charge which is:
 - a. Not a minor change; or
 - b. Inconsistent with the term of the waivermust be subject to shareholder approval.
4. The Company must seek to discharge the Charge when the funds advanced under the Facility have been repaid, or if they are not discharged, seek shareholder approval for the continuation of the Facility for any further loan facility amount.
5. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Facility and the discharge of the Charge, including the timeframe within which it expects the repayment and discharge to occur, including how the Charge may be dealt with under the proposed scheme of arrangement. "

Repayment Plans

Peak's debt to Octanex may be able to be satisfied, repaid or otherwise discharged over the remaining 16 month period including by way of, but not limited to, proceeds of sale of assets and/or future capital raisings by Peak

Repayment of the Loan Facility would release Peak's assets from the Charge.