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ASX ANNOUNCEMENT

6 June 2011

Share Subscription - Paltar Petroleum Ltd

Sinovus Mining Limited (ASX: SNV) is pleased to announce that it has entered into a Share Subscription Agreement with Paltar Petroleum Limited (the Paltar Agreement) to purchase not less than 10% interest in Paltar Petroleum Limited ('Paltar').

Paltar has a 50% farm-in arrangement with Sweetpea Petroleum Pty Limited ('Sweetpea') (an associate of Petro Hunter Energy Corporation) in respect to three (3) exploration permits in the Beetaloo Basin in the Northern Territory of Australia. The exploration permits are currently under application and it is expected that EPA 136 and EPA 143 will be approved, subject to finalisation of agreements with the Northern Land Council and native title owners, in about March 2012. EPA 197 is expected to be approved, subject to finalisation of agreements with the Northern Land Council and native title owners, in 2013 or later.

Paltar Agreement

The essential terms of the Paltar Agreement provide as follows;

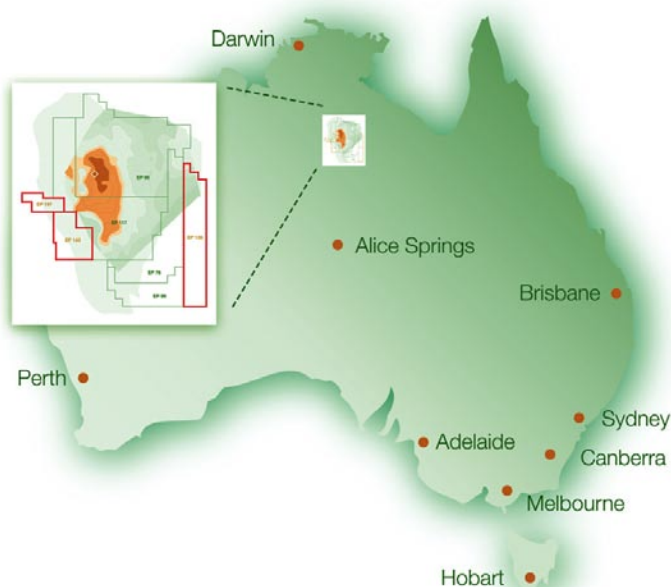
- SNV will subscribe for 6,666,667 fully paid ordinary shares in Paltar for a subscription price of \$1,000,000 ("subscription price").
- Within 7 days after the listing of Paltar on ASX ("listing"), SNV will issue 23,686,285 fully paid ordinary shares ("shares") and 23,686,285 free attaching options ("options") to Wotan Group Limited in return for 5,291,005 shares in Paltar. The SNV shares are issued subject to an escrow period of 18 months from listing.
- The SNV attaching options are exercisable at \$0.10 per share, and expire on 30 June 2013.

- SNV shall hold not less than 10% of the total issued shares in Paltar immediately after listing.

If the listing does not occur before 31 December 2012, SNV may rescind the agreement; except that Paltar shall not be required to repay SNV the subscription price, and SNV continue to hold the 6,666,667 shares.

About Beetaloo Basin

The Beetaloo Basin has an area of more than 25,000 square kilometres and is located approximately 600 km south of Darwin. The Basin has been the subject of significant oil and gas exploration since 1984. The Beetaloo Basin is of Pre-Cambrian age having more than 3,000 metres of sediment column in which the oil and gas generating Kyalla Shale and the gas generating Velkerri Shales have been identified.



The main hydrocarbon focus is in reservoirs discovered in the shale and adjoining sandstone which have thicknesses of up to 800m. The 11 wells drilled in the Basin in the 1990's exhibited good oil and gas shows and some recovered gas and oil on test. In 2007 Sweetpea spudded and drilled the Shenandoah-1 well to a depth of 1,550m reaching the Kyalla Shale. Multiple hydrocarbon shows were encountered and high gas readings recorded over the entire Kyalla interval. The well was later re-entered and drilled to 2,714m to the Velkerri Shale indicating thickness of up to 800m with recordings of total organic

carbon (TOC) between 4% to 7% and as high as 12%.

Exploration to date confirms substantial hydrocarbon quantities in sediments without trap and reservoir structures similar to the unconventional gas and oil projects North America.

The bulk of exploration activity has occurred in the centre of the Beetaloo Basin in Exploration Permits 76, 98, 99 and 117. Falcon Oil & Gas Limited (TSXV: FO) ('Falcon') 73% subsidiary Falcon Oil & Gas Australia Ltd ('Falcon Australia') and Sweetpea hold the permits.

On 2nd May 2011 Falcon announced it had entered an agreement to sell to Hess Corporation subsidiary Hess Australia (Beetaloo) Pty Ltd ('Hess') a working interest of up to 62.5% of EPA 76, 98 and 117 for cash payments of US\$17.5m, purchase of Falcon options for US\$2.5m

(exercisable at the greater closing share price between 18 and 22 February 2011) and with first phase seismic investigation expenditure of US\$40m. Hess may then elect to proceed to the next phase of exploration involving drilling five wells and further appraisal beginning in 2012.

Exploration Permit applications

EP(A) 143 and EP(A) 197 are located along the western margin of the Beetaloo Basin.

The Paltar primary exploration strategy is to target the oil potential of the Lower and Upper Kyalla Formation and the oil and gas/condensate potential of the Velkerri Formation in unconventional plays.

The geology of these permits is thought to be similar to that encountered in Shenandoah-1 - where 1000 m of Kyalla had oil shows - but, some 200 m - 300 m shallower with the Upper Kyalla expected to be around 800 m deep. The main target zones in these tenements will be the presence of oil in the sandier sections of the Kyalla and Velkerri formations where these formations are contained within structural highs.

The secondary exploration strategy for these permits is to target conventional oil and gas plays associated with generation and expulsion of hydrocarbons out of the Velkerri and Kyalla formations and either short range migration into sandstones or along fairways from the deeper sections of the basin into sandstones within four-way dip closed structures along the Daly Waters Arch. Seismic interpretation has identified four large thrust sheets in the western section of the basin and Paltar will be looking for Jamison, Moroak and possibly Bessie Creek sandstone targets contained within these thrust sheets. The Jamison Sandstone is interpreted to be approximately 800m deep on the west side of the basin but it may be found even shallower i.e., 200-300 m. At Shenandoah-1, the Moroak Sandstone was observed to have good permeability but low porosities and contained gas. In these permits the sands should have better primary porosities.

Permit EP(A) 136 is located along the eastern margin of the basin.

The primary exploration strategy in this permit is targeted at unconventional oil and gas plays associated with the deeper basin section in the northern area of the permit.

The secondary exploration strategy is likely to be a combination of stratigraphic and structural in which the major sands pinch out onto the flanks of remnant highs or thinly draped over highs.

Please direct any enquiries to Mr. Nick Tropea (Company Secretary) on +61 2 8222 6161.