
NORTH EAST AFRICAN OIL AND GAS ACQUISITION

HIGHLIGHTS:

- **49.9% shareholding in African focussed explorer holding a 75% working interest in highly prospective 100,000 km² onshore exploration block in Sudan**
 - **600 million barrel lead identified on existing seismic data**
 - **Block surrounded by multi-billion barrel oil producing provinces**
 - **Un-explored Mourdi and Mesaha Sub-basins basins within block**
 - **Exploration activity in Sudan and neighbouring regions increasing; drilling in adjacent acreage in Q4 2012**
 - **Further oil and gas opportunities in Africa being jointly pursued**
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Acquisition and Letter Agreement

The Board of Agri Energy Limited (the "Company" or "Agri") is pleased to announce that it has signed a Letter Agreement ("Agreement") with Canadian listed Statesman Resources Limited (TSX-V:SRR), ("Statesman") to pursue oil and gas opportunities in Africa. Pursuant to the agreement, Agri will acquire for a nominal consideration a 49.9% shareholding in Statesman Africa Limited ("SAL"). A wholly owned subsidiary of SAL, Statesman Resources Limited BVI, has recently been awarded a 75% Working Interest in the 100,000 km² Block 14 in north west Sudan.

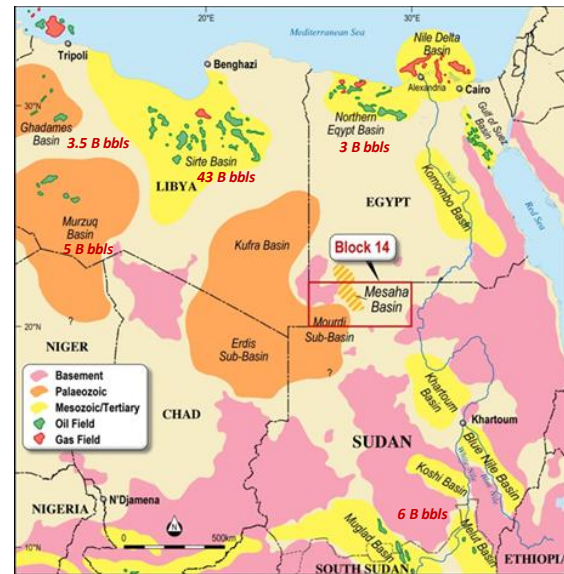
Under the terms of the Agreement, Agri will fund its 49.9% share of the costs of the activities of SAL, including but not limited to the work program for Block 14. The minimum expenditure over the three year term of the Exploration Production Sharing Agreement for Block 14 is US\$12 million. Additionally, Agri has advanced Statesman US\$800,000 which will provide interim funding and form part of Agri's overall funding obligations upon completion of the transaction.

The Agreement to jointly pursue other oil and gas opportunities in Africa leverages off Statesman's operating capability and contacts in Africa. The Board considers the growing international interest in African oil and gas activity as a key growth area for the Company and by entering the Agreement with Statesman, provides it with access to significant opportunities in the region. The Agreement to jointly pursue opportunities in Africa is for an initial period of 12 months.

Commenting on the acquisition, Agri Managing Director Mr Gregory Channon stated, "North eastern Africa represents an area of significant growth and activity in the oil and gas sector and the 100,000km² exploration block secured in northern Sudan is a significant entry point for a company of our size. We look forward to working with Statesman and our other partners in Block 14 and are excited about the potential of this block which is close to many of Africa's largest producing regions."

Project Location

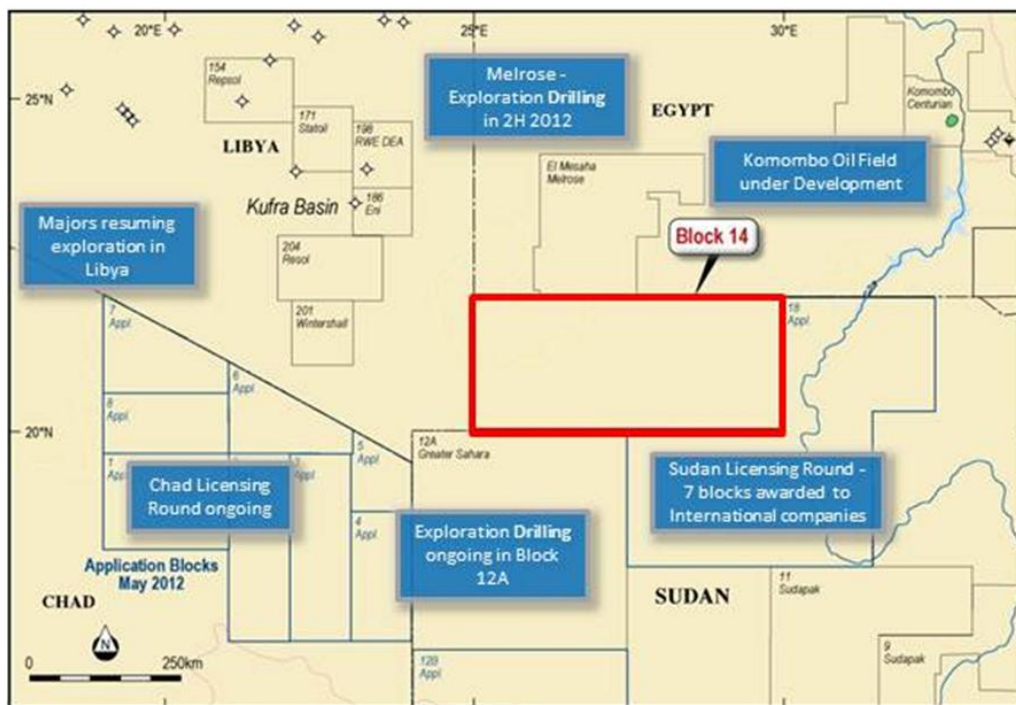
Block 14 is situated in the remote and uninhabited north western corner of Sudan, directly adjacent the border with Egypt and Libya. The block is approximately 100,000 km² in area, and is significantly under-explored with only partial gravity coverage, 1,200km of vintage 2D seismic and one shallow stratigraphic well in the block. Sudan is in the heart of the north eastern Africa oil province. To the north, in Egypt, proved reserves are 4.4 billion barrels, with Libya, also a neighbour, holding 47 billion barrels of proved reserves and a very long history of prolific production.



Prior to the separation of North and South Sudan in 2011, total proven reserves were in excess of 6 billion barrels, and production was almost 500,000 barrels of oil per day (BOPD).

Neighbouring Exploration Activity

The region surrounding Block 14 is currently experiencing a high level of exploration activity.



Immediately to the north in Egypt, Melrose Petroleum plc and partners Beach Energy Limited, Hellenic Petroleum SA and Kufpec are planning an exploration well in the El Mesaha block in late 2012. Majors, including ENI, Repsol, Statoil, RWE and Wintershall have licences in the Kufra Basin in Libya. This activity, plus the current licencing rounds in Sudan and neighbouring Chad will provide new information and data to assist in unlocking the value of this Block.

Block 14 Prospectivity

The prospectivity of Block 14 is defined by two deep untested sub-basins, the Mourdi and Mesaha. The Mourdi Sub-basin shows an affinity with the Kufra, Murzuq and Ghadames Basins in Libya. The Murzuq Basin to the north west contains 2 billion barrels of proved reserves, whilst the Ghadames holds 3 billion barrels of proved reserves. The Kufra Basin to the north is still in the early stages of exploration and no discoveries have been made as yet. The Mesaha Sub-basin may be more analogous to the Komombo Basin to the north east in Egypt. Dana Gas discovered oil in the Komombo Basin in 2007, and is currently under development.

Existing data suggests the lower Silurian and Devonian Shales, (which are the source rocks in the Murzuq and Ghadames Basins respectively) may be present and mature within the block.

The previous Operator, Sudapet, identified a multi-billion barrel resource inventory. Preliminary work undertaken by Statesman indicates the largest lead could have a mean potential resource of 600 million barrels.

A number of risk factors specific to the Agreement and project have been identified, and outlined in Appendix 1 at the end of this document.

Block 14 Joint Operating Company

Block 14 will be managed through a Joint Operating Company ("JOC") based in Sudan. Statesman will take an operational lead in the JOC and will be supported technically by Agri. The JOC will consist of:

Statesman Resources Limited BVI	75%;
Express Petroleum	15%;
Sudapet (carried)	10%.

Express Petroleum is a private Nigerian company active in oil and gas exploration in Africa with net production of 5,000 barrels of oil per day. They have been present in Sudan for a number of years, and also hold other joint venture positions in Sudan. Sudapet is the Sudanese national oil company.

Private Placement

Additionally, the Board is pleased to announce it has appointed Taylor Collison to raise \$300,000 through the issue of 60 million shares at 0.5c per share to assist in the funding of the transaction. The Board is pleased to form an association with Taylor Collison and looks forward to a long term relationship through the Company's growth phase.

Re-compliance with ASX Listing Rules

The acquisition will constitute a change in the nature and/or scale of the activities of Agri in accordance with Chapter 11 of the ASX Listing Rules. As such, Agri will be required to re-comply with the admission requirements of Chapters 1 & 2 of the ASX Listing Rules.

The timetable for completion of the Acquisition and re-compliance with the ASX Listing Rules is as follows:

Event	Indicative Date
Dispatch Notice of Meeting	28 September 2012
Prospectus Offer Opens	19 October 2012
Shareholder Meeting	31 October 2012
Prospectus Offer Closes	31 October 2012
Re-compliance with ASX Listing Rules	1-16 November 2012
Expected date of Reinstatement to trading	19 November 2012

Change of Company Name

In connection with the acquisition and subject to shareholder approval, the company proposes to change its name to Sirocco Energy Limited.

Enquiries to: (08) 9486 4036

Greg Channon

Managing Director

Dougal Ferguson

Finance Director

Competent Persons Statement

Information in this report relating to Hydrocarbons Reserves / Resources is based on information compiled by Mr Gregory Channon, Managing Director of Agri Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Mr Channon is a qualified geoscientist and has over 20 years of experience in the petroleum industry, both in Australia and internationally.

APPENDIX 1: Risks

A number of risk factors specific to the Agreement and project have been identified, including, but not limited to:

- (a) the Agreement is conditional on shareholder approval and re-compliance with Chapters 1 & 2 of the ASX Listing Rules. Should the transaction not complete, the monies paid, loaned or advanced by Agri to Statesman may not be refunded;
- (b) the usual risks associated with start-up companies undertaking large scale exploration and development activities in the oil and gas sector;
- (c) there can be no assurances that the Company will identify oil and gas resources or establish economic quantities of oil and gas reserves in the area;
- (d) until the Company has re-complied with Chapter 1 and 2 of the ASX Listing Rules, Statesman has agreed to fund the entire expenditure requirements of SAL in Block 14 including posting of a security bond equivalent to approximately US\$5 million on or before 3 November 2012. Should Statesman fail to make these payments then this may have an effect on the standing of the interest of SAL in Block 14 and Agri's interest in the same and monies paid, loaned or advanced by Agri to Statesman may not be refunded; and
- (e) the Project is located in Sudan and, as such, the operations of SAL and therefore Agri's interest in SAL, will be exposed to related levels of political, economic and other risks and uncertainties.

Should any of the risks eventuate, it may have a material adverse impact on the financial performance of the project, the Company and the value of the Company's securities.

A Notice of Meeting to be sent to Shareholders shortly which will include information on the project and the relevant risks associated with the acquisition and ongoing operations of the project.