

26 February 2013

ASX Announcement

By Electronic Release

COMPLETION OF PLACEMENT TO RAISE \$1.29M

Citation Resources Ltd (**Company**) is pleased to confirm that, following its announcement on 20 February 2013 regarding the Company's intention to undertake a placement (**Placement**) to sophisticated investors to raise new working capital to fund the flow testing operations on the Atzam #4 well in Guatemala, the Company has received firm commitments to date for the Placement in the amount of \$1,290,000. The terms of the Placement were an offer of 2 cents per share (**Shares**) with a free attaching listed 4 cent option expiring on 15 December 2015 (**Options**) for every 2 shares applied for.

Following the receipt of cleared funds in the amount of \$795,000 as at close of business on 22 February 2013, the Company issued 39,750,000 Shares to the sophisticated investors who participated in the Placement, together with 9,875,000 free attaching listed \$0.04 Options, pro-rata to the Participants. The relevant Appendix 3B is attached.

The Company will allot the balance of Shares and Options shortly upon receipt of cleared funds into the Company's bank account in the next few days, and will confirm final allotment placement details with a further Appendix 3B and announcement.

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

The Company advises that the Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, a sale of the Shares will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

1. the Company issued the securities without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
3. as at the date of this notice, there is no information that is excluded information under section 708A(7) and (8) of the Act that has not already been disclosed to investors generally.

For and on behalf of the Board

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Citation Resources Ltd

ABN

90 118 710 508

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully Paid Ordinary Shares (b) Listed Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 39,750,000 Fully Paid Ordinary Shares (b) 19,875,000 Listed Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully Paid Ordinary Shares (b) Listed Options ex \$0.04 and expiring on 15 December 2015 |

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| | |
|---|---|
| <p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>(a) Fully Paid Ordinary Shares – Yes</p> <p>(b) Listed Options – Yes, rank equally with existing class of listed options (CTRO)</p> |
| <p>5 Issue price or consideration</p> | <p>\$0.02 per Ordinary Share, with one (1) free attaching option (issued for nil cash consideration) for every two (2) Ordinary Shares issued</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>(a) Fully Paid Ordinary Shares – 39,750,000 Ordinary Shares issued by the Company pursuant to shareholder approval obtained at the Annual General Meeting held on 23 November 2012 (AGM)</p> <p>(b) Listed Options – 19,875,000 Listed Options issued by the Company pursuant to shareholder approval obtained at the AGM</p> |
| <p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>23 November 2012</p> |
| <p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p> | <p>Nil</p> |
| <p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p> | <p>Nil</p> |

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| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | (a) 39,750,000 Fully Paid Ordinary Shares (b) 19,875,000 Listed Options | | | | |
|-------------|--|---|--------|--------|-------------|-----------------|
| 6f | Number of securities issued under an exception in rule 7.2 | Not applicable | | | | |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | Not applicable | | | | |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | Not applicable | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | 57,189,553 - capacity under Listing Rule 7.1 38,132,202 - capacity under Listing Rule 7.1A | | | | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 22 February 2013 | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable) | <table border="1"> <thead> <tr> <th data-bbox="774 1355 1005 1400">Number</th> <th data-bbox="1005 1355 1361 1400">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1400 1005 1615">381,528,448</td> <td data-bbox="1005 1400 1361 1615">Ordinary Shares</td> </tr> </tbody> </table> | Number | +Class | 381,528,448 | Ordinary Shares |
| Number | +Class | | | | | |
| 381,528,448 | Ordinary Shares | | | | | |

+ See chapter 19 for defined terms.

| | Number | +Class |
|--|---|---------------------------------|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable) | 226,563,271 | Options ex \$0.07, exp 31/7/13 |
| | 96,375,000 | Options ex \$0.04, exp 15/12/15 |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | The Company does not have a dividend policy | |

Part 2 - Bonus issue or pro rata issue

| | |
|--|----------------|
| 11 Is security holder approval required? | Not applicable |
| 12 Is the issue renounceable or non-renounceable? | Not applicable |
| 13 Ratio in which the +securities will be offered | Not applicable |
| 14 +Class of +securities to which the offer relates | Not applicable |
| 15 +Record date to determine entitlements | Not applicable |
| 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not applicable |
| 17 Policy for deciding entitlements in relation to fractions | Not applicable |
| 18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | Not applicable |
| 19 Closing date for receipt of acceptances or renunciations | Not applicable |
| 20 Names of any underwriters | Not applicable |

+ See chapter 19 for defined terms.

| | | |
|----|---|----------------|
| 21 | Amount of any underwriting fee or commission | Not applicable |
| 22 | Names of any brokers to the issue | Not applicable |
| 23 | Fee or commission payable to the broker to the issue | Not applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | Not applicable |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | Not applicable |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | Not applicable |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not applicable |
| 28 | Date rights trading will begin (if applicable) | Not applicable |
| 29 | Date rights trading will end (if applicable) | Not applicable |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | Not applicable |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not applicable |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | Not applicable |
| 33 | +Despatch date | Not applicable |

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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 26 February 2013
Company Secretary)

Print name: SOPHIE RAVEN
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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue | 226,572,021 |
| <p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p>32,000,000 Ordinary Shares (issued 16 July 2012)</p> <p>53,000,000 Ordinary Shares (issued 19 September 2012)</p> <p>30,000,000 Ordinary Shares (issued 4 October 2012)</p> <p>39,750,000 Ordinary Shares (issued 22 February 2013)</p> |
| Subtract the number of fully paid ordinary securities cancelled during that 12 month period | Nil |
| “A” | 381,322,021 |

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| | |
|---|---|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 57,198,303 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 8,750 Ordinary Shares (issued 12 October 2012) |
| “C” | 8,750 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| <p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p> | 57,198,303 |
| <p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p> | 8,750 |
| Total [“A” x 0.15] – “C” | 57,189,553 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 381,322,021 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 38,132,202 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | Nil |
| “E” | Nil |

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| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
|--|---|
| "A" x 0.10 <i>Note: number must be same as shown in Step 2</i> | 38,132,202 |
| Subtract "E" <i>Note: number must be same as shown in Step 3</i> | Nil |
| Total ["A" x 0.10] – "E" | 38,132,202 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.