

20 September 2017

TULAINYO – 2 WELL PERMIT TO DRILL ISSUED AND RIG CONTRACTED

Magnum Gas & Power Limited (**Magnum** or **the Company**) is pleased to provide an update on the progress of the Company's proposed well in California, which is due to spud in October, 2017.

The Tulainyo 2-7 well will appraise a potentially giant-scale, overpressured gas discovery in the Sacramento gas basin. The permit to drill on the lease has now been issued, with the process taking under 40 days to achieve.

The operator of the project has confirmed the Ensign Rig 587 will be used for the drilling operations. The rig is currently actively working for the operator. Additionally, the necessary surface use agreement is in place with the landholder.

Magnum is earning an effective 20% interest in this very large project by appraising the 2015 Tulainyo-1 gas discovery, which could not be tested due to mechanical difficulties. The Company holds its interest via the 60% owned California subsidiary Gas Fields LLC (**Gas Fields**), which is also 40% owned by Bombora Natural Energy Pty Ltd, a wholly owned subsidiary of Pancontinental Oil and Gas NL (ASX: PCL). Gas Fields has rights to earn, on a staged basis, up to 33.33% in the Tulainyo project.

Following the contribution of funds by Magnum, in accordance with the letter of intent announced on 5 June 2017, all funds necessary for the drilling of the well have already been advanced to the operator.

Magnum looks forward to providing further updates to the market in respect of the well and drilling results as they come to hand.

Yours faithfully,



Kar Chua
Company Secretary