

## ACTIVITY HIGHLIGHTS FOR THE MARCH 2016 QUARTER

Commenting on the Quarter, Chairman, Darren Levy says: "During the Quarter oil prices remained relatively stable between US\$26-\$32. TTE Petroleum Ltd (TTE or the Company) had gross oil production on the Allen Dome of 4,029 barrels at an average price of US\$28.60 per barrel, down from 8,196 the previous quarter. We have seen a dramatic reduction in production costs to below \$6 per barrel for the quarter due to the recent internal cost cuts and vendor re-pricing. The Company has elected to choke back several wells with high gas to oil ratios in order to conserve gas reserves which resulted in lower than usual oil production for the quarter.

Key Outcomes for the Quarter ending 31 March 2016 were:

**ALLEN DOME GAS** The Company has been monitoring and evaluating Allen Dome's gas production over a 3-month period from January to March 2016, with the initial analysis providing a positive indication of the commercial viability. The Company intends to commence additional analysis to determine BTU and Hydrocarbon Dew Point values. This data will then be the basis for contractual obligations during gas sales negotiations. Current volumetric data using choke coefficient calculations indicates the field produced at an average rate of approximately 1.6 million cubic feet of gas per day plus associated oil and condensate.

Based on the initial results, the Company has entered into discussions to share in the cost of laying a high-pressure natural gas pipeline to service TTE and nearby operators. The pipeline would diversify the Company's revenue stream by connecting natural gas from the Allen Dome field to one of two purchasers, being either the DOW Pipeline system or the Houston Pipeline system.

### Management

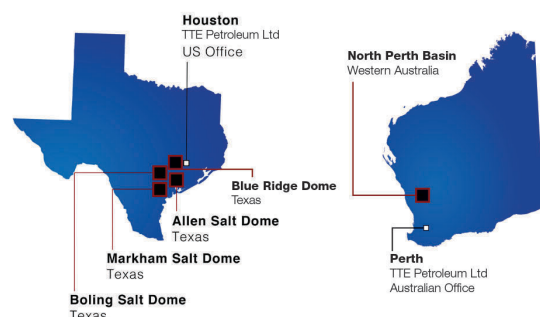
**Darren Levy**  
Executive Chairman  
**Brad Simmons**  
Executive Director & CEO  
**Paul Garner**  
Managing Director  
**Andrew Van Der Zwan**  
Non-Executive Director  
**Jack Toby**  
Company Secretary & CFO

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## **EVENTS SUBSEQUENT TO THE END OF QUARTER**

**APPOINTMENT OF CORPORATE ADVISOR** The Company announced it has engaged Perpetuity Capital Pty Ltd, a Sydney based experienced corporate advisor, to assist with a strategic review of challenges and potential growth opportunities in the current environment.

The review indicated and the Board's agrees that the current environment presents TTE with a unique set of expansion opportunities.

To take advantage of these opportunities, the Board approved a three-prong M&A expansion strategy: acquisition of strategic assets, aggregation with similar operators and expansion along the supply chain. In addition, the Board is reviewing opportunities for the sale of non-core assets. The Board has committed to investigating and evaluate on several opportunities in line with the above strategies. Each of these opportunities will be announced separably if it comes to fruition.

In order to maximise the return on existing assets, the Board has approved a carefully planned and measured expansion of a drilling and exploitation program. The program is focused on drilling and exploitation of assets that Board believes that viable projects based on current oil prices

**CASH MANAGEMENT PROGRAM** In another proactive step to ensure that the company continues to effectively manage its cash flow in the current environment, the Board has implemented a strategic cash management program. As part of that program TTE has reduced its staffing cash cost through a significant reduction of salaries, a reduction in the number of Company Directors, and a commitment from the Directors' and key staff to defer and convert the balance of their salaries to be paid in shares, subject to shareholder approval,. This is a notable show of loyalty and commitment by these staff members.

**CONVERTIBLE NOTES:** The Company is also pleased to announce that the holders of convertible notes have agreed to rollover their convertible notes that were due to expire on 15 July 2016 to a new, longer dated series that will expire on 31 October 2017. The new series of convertible notes are subject to shareholder approval and compliance by the Company with the ASX Listing Rules.

### **WORKING INTEREST LEASEHOLDING SUMMARY AS OF 31 MARCH 2016:**

<b>Asset name</b>	<b>Interest</b>	<b>Area Net Acres</b>
<b>Allen Dome</b>	100%	1,085
<b>Blue Ridge</b>	100%	361
<b>Markham Dome</b>	100%	1,504

<b>Asset name</b>	<b>Interest</b>	<b>Area Net Acres</b>
<b>Boling Dome</b>	100%	850
<b>EP455</b>	18.5%	20,700

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