

# FARMOUT OF BLUE RIDGE SALT DOME CLOSES

ASX Announcement | 23 November 2016



Australian oil and gas Company TTE Petroleum Ltd (ASX: TTE) (**TTE** or the **Company**) is pleased to announce that it has signed the Purchase and Sale Agreement (PSA) on the Blue Ridge acreage with Viceroy Petroleum LP (**Viceroy**), an independent oil & gas production and operating company.

As part of the continuing alliance, Viceroy will assume operatorship with a 75% Working Interest in the Blue Ridge field located in Fort Bend County, Texas. TTE will retain a 25% Working Interest.

Upon the execution of Purchase and Sale Agreement Viceroy paid the sum of US\$200,000 less the Take Down Fee (US\$20,000) and less TTE's share of the settlement costs of the TKE Agreement (US\$13,750), for the assignment of 75% of the leasehold Working Interest (WI) in the Blue Ridge oil and gas leasehold interests.

As additional consideration Viceroy agrees to carry TTE on up to an initial 5 new wells to casing point for its WI portion within 12 months after the Effective Date of the Agreement. This value shall be a dollar total of up to US\$250,000 toward the Company's 25% WI in the 5 initial wells. Following either (a) the drilling the 5 initial "carried wells" to casing point, or (b) the depletion of the US\$250,000 in drilling related credit towards TTE's 25% obligation, Viceroy and TTE will continue at the aforementioned WI.

In the event that Viceroy fails to drill 5 wells during such 12 month period, Viceroy shall have the election to either (a) re-assign to TTE all of Viceroy's right, title and interest in the Subject Lease or (b) pay the sum of US\$15,000 for each of the initial 5 obligation wells not drilled. Should there be an adjustment and reduction of the acreage capable of being drilled upon, TTE's drilling credit of US\$250,000 shall be adjusted in proportion to the percentage reduction of useable acreage and deducted from the drilling carry portion of the consideration owed to TTE by Viceroy.

The Company continues to investigate acquisition opportunities to maximise the returns of the existing shareholder and encourage the participation of new shareholders.

For further information, please contact:

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