

17th August 2018
Mr. Andrew Kabega
Senior Adviser, Listings Compliance (Sydney)
20 Bridge Street
Sydney NSW 2000

By email: Andrew.Kabega@asx.com.au

Dear Andrew,

Response to ASX Letter

Please find below answers to the questions contained in your letter:

1. East West Energy ('EWE') first became aware of the 'Relevant Information' on the evening of the 16th of January 2018.
2. No, we do not believe that the 'Relevant Information' to be information that would have a material effect on the price or value of the securities. We considered the materiality at the time of the 'Relevant Information' and concluded that, as the Parties remained in active engagement on and post the date to ensure that the transaction, as contemplated and agreed, was concluded and the 'Relevant Information' was with regards to the exclusivity of the Agreement. Further, with regards to the material effect on price or value of the securities, as you are no doubt aware we have been in suspension since September 2015 when the then Convergent Minerals Limited entered Voluntary Administration. As such, shares of EWE have not been able to be traded since that date.
3. No.
4. The basis of the 'Relevant Information' was to allow the Vendor to be released from the exclusivity component of the Agreement. The Vendor expressed to us that they wanted us to be in the position to be able to settle the transaction and were continuing post the date of the 'Relevant Information' to actively assist us in that process. The Parties were working together to finalise a number of matters with regards to the due diligence and Lease Title Opinion that would allow the transaction, as contemplated and agreed, to progress towards being settled. We have provided you with correspondence between the Parties that illustrates that the Parties were working together for the purposes of concluding the transaction as contemplated and agreed after the date of the 'Relevant Information'. The Vendor had expressed to us that it was their wish that we concluded the transaction, that they were not actively marketing the Project and if they received any interest in it they would inform us. We received no such notice and, as such, considering the Parties were still working towards successfully concluding the transaction, it is our view that the 'exclusivity' was not a material issue to the transaction as contemplated

and agreed as the Parties (a) wished to settle the transaction and (b) were working together to achieve this.

5. We confirm that EWE is in compliance with the Listing Rules including 3.1.
6. The responses to the questions have been provided by an Officer authorised to respond to the ASX.

Sincerely

A handwritten signature in black ink, appearing to be "Mitchell McGeorge", with a large, stylized loop at the end.

Mitchell McGeorge
Executive Chairman & CEO

10 August 2018

Mr Mitchell McGeorge

Executive Chairman & CEO
East West Energy Limited
Level 17, Australia Square
264-278 George Street
Sydney NSW 2000

By email: mitchell.mcgeorge@eastwestenergy.com.au

Dear Mr McGeorge

East West Energy Limited ("EWE"): aware query

ASX Limited ("ASX") refers to the following:

- A. EWE's announcement entitled *"EWE Acquires Cash-flow Positive Texas Production Asset"* ("Announcement") lodged on the ASX Market Announcements Platform and released at 12:28pm on 1 December 2017, disclosing that EWE had signed a Purchase and Sale Agreement (the "Agreement") with Rife Energy Operating LLC to acquire 100% interest in a production and development asset in the Barnett Combo Play in Northern Texas.

- B. Section 11.01 Termination, of the Agreement:

"This Agreement may be terminated at any time prior to Closing: (a) by the written mutual consent of Seller and Buyer or (b) by either Seller or Buyer if the Closing has not occurred on or before 5:00pm local time Houston, Texas on a date that is thirty (30) days after the Target Closing Date; provided, however, that no Party shall be entitled to terminate this Agreement under Section 11.01(b) if the Closing has failed to occur because such Party negligently or wilfully failed to perform or observe in any material respect its covenants and agreements hereunder or such Party is in breach of its representations and warranties set forth in this Agreement."

Section 1.04 Closing, of the Agreement:

(a) "The consumation of the purchase and sale of the Assets (excluding the Re-Acquired Leases) contemplated by this Agreement (the "Closing") shall occur at the offices of Seller at 10:00 a.m. local time on a date that is forty-five (45) days after the date of this Agreement (or, if such date is not a business day, the next day that is a business day) (the "Target Closing Date"), or if all conditions in Section 1.05 to be satisfied before the Closing have not yet been satisfied or waived, as so thereafter as such conditions have been satisfied or waived, subject to Section 11.01(b). The date on which the Closing occurs is herein referred to as the "Closing Date." Subject to the other terms and conditions of this Agreement, possession of the Assets shall be transferred from Seller to Buyer at the Closing, effective as of 7:00 a.m., Central Time, on October 1, 2017 (the "Effective Date")."

- C. A letter from Rife Energy Operating, Inc. to EWE dated January 15, 2018 (the "Relevant Date"), confirming that this letter serves as notice to EWE that Rife Energy Operating, Inc. hereby terminates the Agreement pursuant to Section 11.01(b) of the Agreement (the "Relevant Information").
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks EWE to respond separately to each of the following questions:

1. When did EWE first become aware of the Relevant Information?
2. Does EWE consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “yes”, did EWE make any announcement which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information has not been released to the market, commenting specifically on when you believe EWE is obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A.
4. If the answer to question 1 is “no”, please provide the basis for this view.
5. Please confirm that EWE is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that EWE’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EWE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. before 9.30 a.m. AEST) on Wednesday 15 August 2018.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EWE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that EWE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EWE's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require EWE to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in EWE's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Andrew Kabega

Senior Adviser, Listings Compliance (Sydney)