

ASX ANNOUNCEMENT

21 October 2014

OPTIONS EXPIRY NOTICE LISTED OPTIONS EXPIRING 18 NOVEMBER 2014

Dragon Energy Limited (**ASX: DLE**, "Company") advises that it has been granted a waiver from Listing Rule 6.24 to the extent necessary to permit the Company not to send the notice required by paragraph 6.1 of Appendix 6A, in relation to 47,460,245 quoted options exercisable at \$0.35, expiring on 18 November 2014 (DLEO, "Options"). Option expiry notices will not be sent by the Company to quoted option holders. Options not exercised by 5pm (AWST) on 18 November 2014 will lapse.

In accordance with the ASX listing rules, the Company provides the following information:

- (a) For every one option exercised, the option holder will be allotted one fully paid ordinary share in the capital of the Company;
- (b) The exercise price for each option is \$0.35;
- (c) The due date for payment of the exercise price is 5pm (AWST) on 18 November 2014;
- (d) If payment is not received by 5pm (AWST) on 18 November 2014, the Options will lapse and all rights under the options will cease;
- (e) Official quotation of the Options on ASX will cease on 10 November 2014;
- (f) Recent share prices on ASX:
 - Latest available market price of fully paid ordinary share was \$0.048 on 20 October 2014
 - During the three months preceding the date of this notice, the highest market price of fully paid ordinary share was \$0.075 on 21 to 25 July and 28 July 2014 and the lowest market price was \$0.048 on 6 to 10 October, 13 to 17 October, and 20 October 2014
- (g) The exercise of the Options is not underwritten; and
- (h) This notice applies to 47,460,245 Options.

Further enquiries should be directed to:

Nancy Liang
Company Secretary
Telephone: +61 8 9322 6009