



ASX ANNOUNCEMENT

27 May, 2013

Rampart Signs Major Deal for Alaskan Petroleum Play

Rampart Energy Ltd ('Rampart') is pleased to announce signing of an agreement to participate in petroleum exploration in the prolific onshore North Slope of Alaska with Royale Energy Inc ('Royale') which is listed in the United States (NASDAQ:ROYL).

HIGHLIGHTS

- Agreement to earn up to 38,000 net onshore acres in the prolific petroleum producing North Slope of Alaska (75% WI);
- Acreage located in close proximity to the largest oil fields in the US (Prudhoe Bay);
- Significant conventional oil and gas play;
- Very substantial potential for unconventional and oil shale plays;
- Material acreage position provides leverage for appropriate monetisation strategies (e.g. farm-out);
- Very manageable, staged entry and earning thresholds focused on "in-ground" expenditures;
- Extensive exploration and development activity in region provides potential accretive transactional value to Rampart;
- Region hosts potentially one of the last significant, shale plays in the US;
- Rampart and Royale corporate objectives and synergies are symbiotic;

Rampart Energy Ltd

Suite 9 Lester Court,
75a Angas Street
Adelaide SA 5000
Australia

T +61 8 8223 1681

F +61 8 8223 1685

E info@rampartenergy.com.au

www.rampartenergy.com.au

ARBN 86 115 229 984



The North Slope of Alaska is a prolific oil province and home to the largest oilfield in the United States; Prudhoe Bay (50 billion barrels OOIP). Bearing testament to it as a globally significant destination is the presence of ‘top shelf’ companies such as Shell, ExxonMobil, ConocoPhillips, BP, Statoil, ENI, Repsol and large independents such as Pioneer Natural Resources and Australia’s Linc Energy.

The agreement with Royale provides a unique opportunity for Rampart to jointly explore a 50,000 acre (gross) area which has exceptional potential for the discovery of both conventional and unconventional oil fields.

Conventional prospectivity of the area is demonstrated by proximity to the Moose Tooth resource, estimated to be up to 600mboe, which is circa 15km to the North West of the western farm area block. Based on information available, the prospective Jurassic sands which host this resource, appear likely to extend into the area to be jointly explored and exploited by Rampart and Royale.

The Unconventional oil prospectivity of the region is highlighted by the US Geological Survey ranking this, as having the second highest estimated recoverable oil resource domestically, behind only the Bakken Shale. The main prospective oil prone regional trend, extending through



the entire farmin area of Rampart's.

Managing Director and Chief Executive Officer of Rampart Energy Limited, Mr Torey Marshall commented “It is a rare pleasure to be able to provide shareholders with exposure to such a highly prospective area, with a highly attractive fiscal framework, and a reputable partner such as Royale. What is incredibly attractive about this for an ASX listed company is that compared to opportunities in the Cooper Basin we can put a hole down to test significant conventional targets and at the same time evaluate the unconventional prospectivity for much the same cost. But the huge difference is that our conventional targets could be an order of magnitude larger than something in the Cooper Basin. Importantly also both Rampart and Royale are symbiotic in terms of their aspirations and corporate objectives, vital to ensuring a good, committed long term, joint venture relationship”.

Royale's Co- Chief Executive Officer, Stephen Hosmer added “We are excited to join with Rampart, in one of the last significant shale plays in the US,” and “This is a key milestone in Royale's plans for development of a majority of our total 91,000 acre, Alaska North Slope position.”

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*** Ends***

Torey Marshall, Managing Director +61 8 8223 1681

Transaction Summary

- Agreement to earn up to 38,000 net acres in the prolific North Slope of Alaska across two contiguous blocks
- To earn an initial 10% working interest in the Western Block
 - Pay US\$3.4m in two tranches (\$100 per gross acre), half by June 3 2013 and half by December 1 2013
 - Issue Options to Royale to purchase US\$1.7m of RTD stock with a strike price of 150% of the VWAP prior to the signature on the agreement
- To earn an additional 20% working interest in the Western Block; acquire a 3D seismic survey over both the Western and Central Blocks by March 31 2014
- To earn a final 45% working interest in the Western Block; drill, test and complete two wells, including horizontal sections in target formations by March 31 2015
- To earn the 75% working interest in the Central Block, RTD must complete the 3D seismic survey above, and pay an additional US\$1.7m by June 30 2014