



# ASX ANNOUNCEMENT

20 November, 2013

## Operational Update

### Overview

Rampart Energy Ltd ('Rampart') is pleased to provide an operational and strategic update to its shareholders and stakeholders.

### HIGHLIGHTS

- **Operator (Royale Energy Inc.) has advised final pricing negotiations are almost completed with multiple seismic contractors;**
- **Rampart is well advanced on an Alaskan ACES revolver negotiation which will credit back up to 85% of exploration expenditure, with an announcement due before Christmas and financial close well ahead of seismic commencing;**
- **Strategic importance of a revolver facility is the substantial reduction of upfront equity cost to shareholders for the exploration activity in Alaska;**
- **Contracted services to prepare for the 2015 drilling program, getting a head start on all key operational permits that would be required;**
- **Operations on target for key windows in the upcoming winter exploration season;**

Royale and Rampart continue to have negotiations with multiple seismic parties, with the finer details of costing and mobilization being the top of the agenda. This competitive process has benefitted from the increased exploration activity occurring in the North Slope this year due to the improved exploration rebate program, resulting in additional seismic crews in comparison to what was observed in previous years.

As part of the operations planning, the necessary approvals ahead of the 2015 drilling program are a focus of management. Due to the substantial increase in industry activity in the North Slope it is prudent to ensure that both Royale and Rampart have the necessary approvals and flexibility with rig slots to ensure the commencement of drilling in 2014/15.

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In support of the exploration program, Rampart has been completing negotiations on an ACES Exploration Rebate Working Capital Facility ("Facility") with several large international institutions. The benefits to this Facility will be material for Rampart shareholders and ensure the exploration program is funded. Ultimately the Facility will fund a large percentage of the upfront cost of exploration activity (seismic + drilling) as opposed to funding exploration through diluting shareholder equity. At the conclusion of using such a Facility the Company will have no net debt as the capital provided by the Facility is paid back via the Alaskan Governments Triple A rated ACES credits due to be refunded at the completion of the work program.

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**Managing Director and Chief Executive Officer of Rampart Energy, Mr Torey Marshall commented** "The improved ACES exploration rebate program and the increase in industry activity in the North Slope is assisting Royale and Rampart in finalising the upcoming 3D seismic program whilst keeping costs down to the benefit of all shareholders.

Rampart is also encouraged with the progress to date on closing the ACES Exploration Rebate Working Capital Facility which we are confident will significantly reduce the costs to our shareholders of funding both the conventional exploration and oil shale prospectivity of our acreage. There are few places in the world where an oil company can drill a well which has the ability to confirm both the conventional and shale prospectivity with the added comfort that up to 85% of the costs incurred to explore its acreage is refunded by a triple A rated State Government".



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## Background

Rampart Energy is exploring two areas of the North Slope of Alaska for both conventional and unconventional oil. The company signed an agreement in May of 2013 to earn into leases owned by Royale Energy Inc. (NASDAQ:ROYL).

Rampart believes that there is a very large upside in the area, as illustrated by the Prospective Resource numbers published in August of 2013, and notes that exploration in the region is heavily supported by the State of Alaska's incentive system which provides for exploration costs to be reimbursed. The work program currently consists of 3D seismic acquisition in 2014 and the drilling of 2 wells during 2015.