

BOSS ENERGY LIMITED

www.bossenergy.com

ASX: BOE

ISSUED SHARES: 61.5m

PROJECT

Latrobe Oil Shale,
Tasmania
(Includes JORC Resource
of 72Mt of oil shale
equivalent to more than 59
million barrels of oil)

DIRECTORS

Mr Robert Grover
Executive Chairman

Mr Winton Willesee
Non-Executive Director
and Company Secretary

Mr Joseph Obeid
Non-Executive Director

CONTACT DETAILS

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**BOSS ENERGY SIGNS AGREEMENT TO ACQUIRE
PRODUCING OIL ASSET IN KAZAKHSTAN**

Key Points

- MOU signed for Acquisition of Producing Oil Field
- Rights Issue to Existing Shareholders

Boss Energy Limited (ASX: BOE) is pleased to announce that it has entered into an exclusive Memorandum of Understanding (MOU) for the acquisition of the Tortay oil concession in Kazakhstan (the Tortay Concession).

The Tortay Concession (107.6km²) is located approximately 360 km south-east of the city of Atyrau near rail and road transportation facilities. There is infrastructure in place with production and storage facilities and pipeline access.

There are a number of both internal and independent reports relating to the size of the field in terms of oil in place and recoverable reserves. Boss has engaged a competent person who is currently in Kazakhstan reviewing all data in order to prepare a report which Boss Energy can release to the market in accordance with the ASX reporting requirements for oil reserves.

The field has 24 drilled wells of which 5 are operational with a current production capacity of 1,400bbls/day. The company has been informed that there is potential to increase the current production capacity and reserves based on recent studies.



Figure One – Location of Tortay Concession

Kazakhstan is a secular republic with a population of 15 million located in Central Asia, northwest of China with a literacy rate of over 99%. The country gained independence from the former Soviet Union in 1991. Kazakhstan's economy is larger than those of all the other Central Asian states combined, due to the country's vast natural resources and a recent history of political stability.

Kazakhstan has significant petroleum reserves. Proven oil reserves as of today are 30 bln barrels. Hydrocarbon reserves, both onshore and offshore, may far exceed the current proven reserves, with estimated possible reserves-mostly in the Kazakh sector of the Caspian Sea-of between 60 billion and 100 billion barrels.

A key feature of the transaction is that Boss Energy has also entered into a conditional Heads of Agreement (subject to due diligence) with a Hong Kong listed company whereby the listed company will fund 100% of the US\$61m acquisition costs of the Field to earn an interest of between 51% and 75% in the Tortay Concession. The listed company will be **operator of the Project** and brings considerable experience and expertise in oilfield related engineering and consultancy services in addition to owning and operating drilling rigs and specialist oil field equipment.

Boss will retain a minimum of 25% contributing interest with its portion of the acquisition costs only recoverable from revenue produced from the Tortay Field. Boss can also elect to pay out the financing at any time. In effect Boss will have its minimum of 25% acquisition cost financed and quarantined against the Tortay asset giving the Company a significant benefit in terms of financial and operational exposure to the Project whilst capitalizing on significant upside potential.

Boss Energy and its proposed partner are currently in the process of conducting technical, financial and legal due diligence on the project and if satisfactory will enter into formal documentation later in March 2008. If due diligence is satisfactory Boss will move to complete the transaction by way of payment of the following consideration terms (subject to any regulatory and shareholder approvals):

- a) US\$5m cash payment on completion; and
- b) 20m fully paid ordinary shares and 20m options (20 cents, 30 Nov 2010).

The Directors believe that the potential acquisition is an important development in the growth of the company and will be the first of several opportunities that the company will pursue in Kazakhstan and Central Asia.

Rights Issue

To partly fund the transaction the Company is now proposing to undertake a rights issue to existing shareholders. It is proposed that the rights issue will be an offer of one share for every four shares currently held at an offer price of 40c per share along with one free attaching listed option (20 cents, 30 Nov 2010) for every four shares subscribed for under the rights issue. Formal documentation will be provided in due course.

For further information contact:

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