

March 20, 2017

## CHAIRMAN'S UPDATE

Dear Shareholders,

It gives me great pleasure to provide an update on your Company, since my last update much has occurred.

### Acquisition of US E&P Company progresses

During February the Company's Chairman, CEO and Chief Technical Officer visited the office the US based E&P company with which we executed a Letter of Intent in early February. We spent several days in discussion with key personnel and came away impressed with the company, managers, staff and the projects. This has given us great confidence in the significant value this acquisition provides for the future of East West Energy. Negotiations progressed significantly during the week and we were able to present the shareholders of the company with a formal and binding Term Sheet prior to returning to Australia.

I am pleased to report that the shareholders of the target company voted to accept our proposed terms and that a formal Term Sheet was executed on the 4<sup>th</sup> of March 2017. As a further sign of confidence in the leadership and future of East West Energy, several of the acquisition company's key shareholders may elect to convert their shareholdings into East West Energy shares as opposed to receiving cash upon settlement.

Formal due diligence has now commenced – including a full legal and technical review. The due diligence period is up to 42 days from executing the Term Sheet.

This is a significant step in the future of East West Energy and this asset will provide us with a strategic presence in several prolific petroleum basins with current production, early operational activity and an existing long-term drilling program.

### Half-Yearly Results

The Company's Half-year Financial Report was posted on the ASX website on the 15<sup>th</sup> March 2017. Please note that for most of the report period the Company was still in external administration.

We look forward to updating you further as our due diligence progresses - our focus remains on acquiring the right assets to grow the Company and maximise long term shareholder returns.

For further information, please contact Dr Scott Brownlaw, Executive Director & CEO, on +61 2 8211 0490 or refer to [www.eastwestenergy.com.au](http://www.eastwestenergy.com.au).

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell McGeorge".

Mitchell McGeorge  
Executive Chairman  
East West Energy Limited