

1 April 2015

Companies Announcement Office
Via Electronic Lodgement

LANCE URANIUM PROJECTS CONSTRUCTION ON SCHEDULE

Peninsula Energy Limited (PEN) is pleased to provide an update on construction and wellfield development activities at the Lance In-Situ Recovery (ISR) Projects in Wyoming, USA. PEN's wholly-owned subsidiary Strata Energy Inc. (Strata) continues development of the Lance Projects on budget and on schedule for first production later in 2015.

Wellfield development activities advance with four drill rigs currently installing monitor and mining wells in the first mine production unit, and a fifth drill rig mobilising to the site. Once installed, Strata will use these wells to develop site-specific ground water quality data and to perform an aquifer pump test. This data will then be submitted to the State of Wyoming and the US Nuclear Regulatory Commission (NRC) for review and approval.

The foundations are complete for both the Central Processing Plant (CPP) and the Administration Building, and contractor crews are in the process of pouring the slabs for both buildings. Upon completion of the CPP slab, Strata will commence installation of the externally-manufactured ion exchange columns.

The Deep Disposal Well (DDW) has been drilled to its final depth of 8,606 feet and the casing is cemented in place. The injection area for the DDW lies within a 100-foot-thick sand zone in the Flathead Formation. The depth of the formation and its water quality make it economically impractical for potential non-industrial use – a key criterion in being approved for DDW injection. Although definitive information will not be available until final well completion work, indications are that the well will provide adequate injection capacity for operations at the Lance Projects.

Alongside construction and wellfield development activities, Strata continues to address the pre-operational license conditions imposed by the NRC. These conditions are a regular component of the Source Materials License issued by the NRC, and establish specific conditions to be met prior to commencing production at the project. Strata has submitted documents that satisfy eleven of the seventeen pre-operational conditions, and will complete the remainder of the conditions prior to requesting a pre-operational inspection from the NRC.

Strata Energy Chief Executive Officer Ralph Knode stated, "We are very pleased with the progress of construction at the site and on the pre-operational license conditions. The project is advancing on budget and on schedule, and we are looking good to start up production operations later this year."

Yours faithfully



John (Gus) Simpson
Executive Chairman

For further information, please contact our office on +61 (0)89380 9920 during normal business hours.



Figure 1: Form work for CPP foundations



Figure 2: Pouring of foundations for CPP

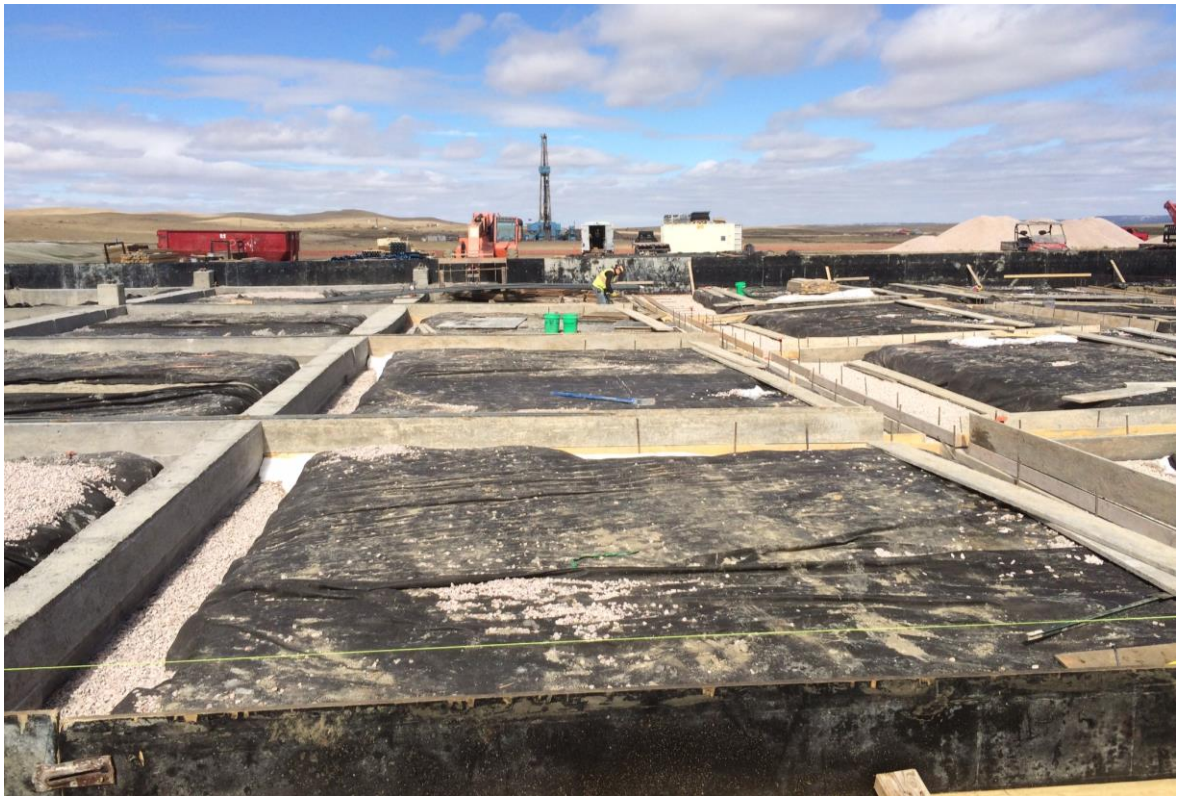


Figure 3: CPP concrete foundations

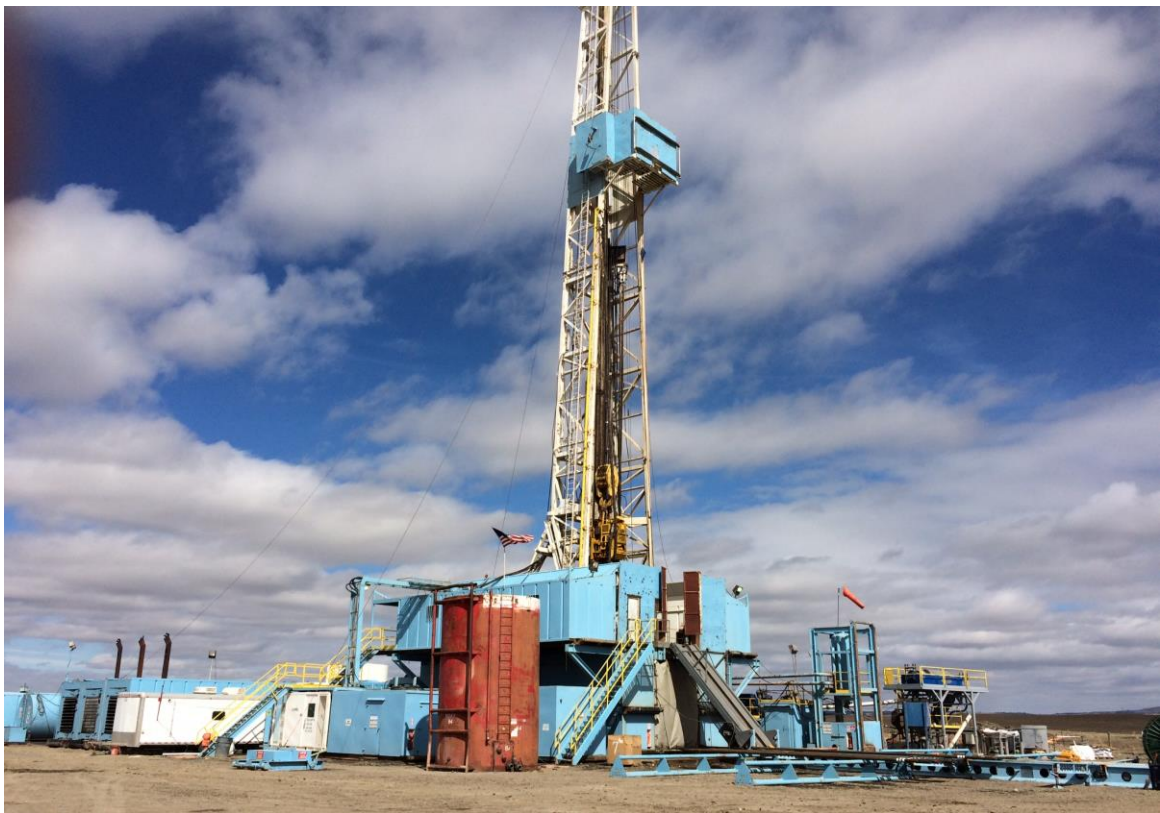


Figure 4: Drilling of deep disposal well



Figure 5: Deep disposal well drill rig platform



Figure 6: Drilling of monitor and mining wells



Figures 7 & 8: Drilling of monitor and mining wells

