

Cauldron Energy Secures AU\$1 Million Funding

Australian resources company, Cauldron Energy Limited (**ASX: CXU**) (“Cauldron” or “the Company”) is pleased to announce that, in a further show of support, major shareholder Cape Lambert Resources Limited (ASX: CFE) (“Cape Lambert”) has agreed to provide AU\$1 million to the Company pursuant to a converting loan agreement (“Converting Loan Agreement”).

Pursuant to the Converting Loan Agreement, the Company will receive the loan funds by no later than 31 March 2014 which, subject to receipt of shareholder approval at the Company’s 2014 Annual General Meeting, will automatically convert into ordinary shares in the Company.

Subject to receipt of shareholder approval, the conversion will be 80% of the volume weighted average closing price of the Shares as quoted on ASX over the last ten (10) trading days immediately preceding the day of receipt of the shareholder approval. If shareholder approval is not obtained, the loan (together with interest which accrues daily at 10% per annum) is repayable by the Company by 31 December 2014.

The funds received, pursuant to the Converting Loan Agreement, will be used by the Company to initiate the anticipated drilling program at Bennet Well as well as for general working capital purposes. The funds will also be used to assist with the implementation of the Company’s exploration programmes on its prospective regional tenement holdings in the Yanrey Project, including exploration of E08/2385, E08/2386 and E08/2387 subject to grant by the Minister for Mines and Petroleum.

As announced on 20 February 2014, the excellent metallurgical test work results for the Company’s Yanrey Project (“Project”) to date have now shifted the Project from resource exploration onto a project development timeline towards evaluation, approvals and potential production. These funds allow the initiation of this process.

End.

For further information, visit www.cauldronenergy.com.au or contact:

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ASX code: CXU

178,062,092 shares
7,300,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Catherine Grant
Company Secretary