

7 November 2013

ASX Announcement

IRWIN SHALE GAS AND SHALE OIL POTENTIAL

Dynasty Metals Australia Limited (Dynasty) is pleased to announce it has received an independent report of assessment on **shale oil and gas potential within tenements EP484 and EP485** in West Australia. The two permits are located in Irwin River Terrace, North Perth Basin and 100% owned by Dynasty Metals.

It has been concluded by an independent consultant, Austar Gas Pty Ltd (Austar) that the hydrocarbon accumulation is identified in the Cadda Shale, Carynginia Shale and Kockatea Shale. The fairways of the hydrocarbon play present in west of Irwin River Terrace, which is next to the existing oil and gas fields. The report has estimated prospective original oil in place of more than 2 billion barrels of shale oil and original gas in place of more than 20 trillion cubic feet of shale gas.

Austar is considered a specialist in Australia having extensive experience in evaluating resource of unconventional petroleum. These conclusions have been drawn from data in adjacent wells and the publicly available regional geological information.

Dynasty's Managing Director Lewis Tay said, "Other petroleum players have commercially produced oil and gas in Dongara, Mount Horner, Woodada and other blocks which neighbour our permits. The report indicates that the reservoir of the commercial field extends to our permits. The study gives us confidence to invest further in exploiting shale oil and gas in Irwin River Terrace".

The Company is also currently in discussions with various potential JV partners in relation to these assets, or alternatively, **a spin-off of these assets into another vehicle and an in-specie distribution to Dynasty shareholders may be considered.**

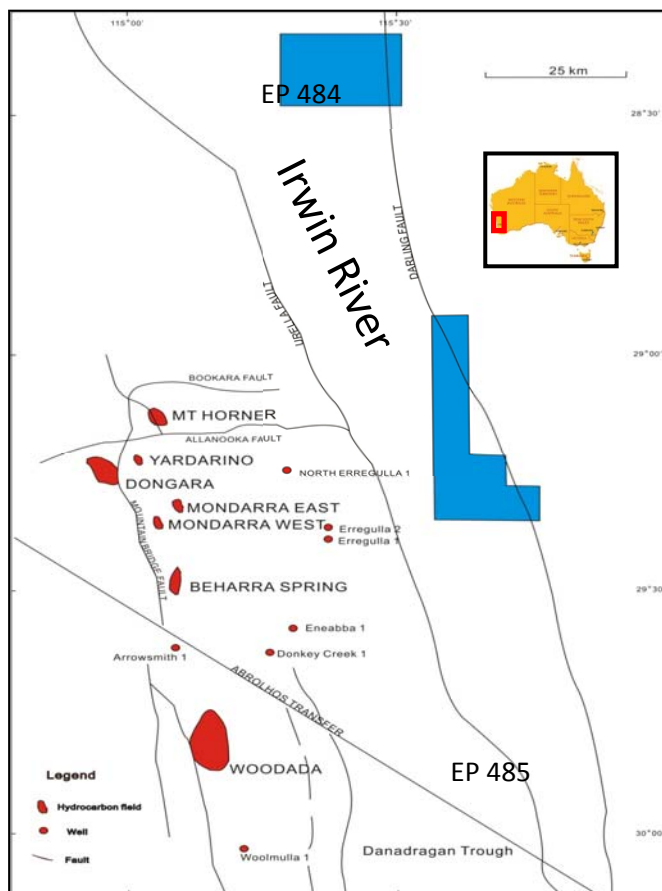


Figure 1 Locations of EP 484 and EP 485 in Perth Basin (modified after *Crostella, A. 1995*)

COMPETENT PERSONS STATEMENT

Austar Gas Pty Ltd (AUSTAR) has provided independent evaluations that relates to Hydrocarbon prospective volume in place and has had discussions with Mr Lewis Tay, the Managing Director of Dynasty Metals Australia Ltd. The Managing Director of AUSTAR, Dr Xingjin Wang, has consented to the inclusion of that information in the form and context in which it appears.

Dr. Xingjin Wang holds a Master degree in Petroleum Engineering from UNSW and PhD degree in Applied Geology from UNSW. With over 20 years international experience in petroleum exploration and production applications, he specialises in resource evaluation and production enhancement. Prior to running his own consulting company, AUSTAR, he was the General Manager (Engineering) of Arrow Energy. As an experienced reservoir engineer, he also has worked for RISC, Mosaic Oil and Sinopec. Dr. Wang has extensive tight sand gas, Shale Gas and CBM experience in the major basins of Australia, Russia, China, Indonesia and Botswana. Dr Wang is a Honorary Professor at the China University of Geoscience, and he is member of Society of Petroleum Engineers (SPE).

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