

APPOINTMENT OF DIRECTORS AND COMPANY SECRETARY, RESIGNATION OF DIRECTORS AND COMPANY SECRETARY.

Challenger Exploration Limited (ASX: CEL) (“CEL” or “the Company”) today announces the appointment of:

Fletcher Quinn as Non-Executive Chairman

Kris Knauer as Managing Director

Scott Funston as Finance Director, CFO and Company Secretary

These appointments were approved by shareholders at the General Meeting held 29 April 2019 and become effective with the successful acquisition of AEP and re-admission to quotation on the ASX.

Fletcher Quinn

Fletcher has been appointed as Non-Executive Chairman. Fletcher has over 35 years’ experience in venture capital, corporate finance and investment banking, including extensive experience with both listed and unlisted companies, public company development, management and governance. Fletcher was the founding Chairman for ASX entities Citadel Resources Limited and Sirocco Resources Limited.

Kris Knauer

Kris has been appointed as CEL’s Managing Director. Kris started his career as an exploration geologist before moving into investment banking, initially as a mining analyst. He is an experienced listed company CEO. Kris led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resources (ASX: CGG) becoming the Managing Director for the first 18 months. Citadel completed a DFS on the Jabal Sayid copper project in Saudi Arabia prior to being taken over for \$1 billion. Kris has been managing the company’s projects in Ecuador and Argentina for the past 18 months.

Scott Funston

Scott has been appointed as CEL’s Chief Financial Officer, Company Secretary and Executive Finance Director. Scott is a qualified Chartered Accountant and Company Secretary with nearly 20 years’ experience in the mining industry and the accounting profession. Scott is a member of Member of the Institute of Chartered Secretaries and Administrators. His expertise is financial management, regulatory compliance and corporate advice. Scott possesses a strong knowledge of the Australian Securities Exchange requirements and has assisted a number of resources companies operating throughout Australia, South America, Asia, USA and Canada with financial accounting, stock exchange compliance and regulatory activities. Scott has performed roles as an executive director, non-executive director, chief financial officer and company secretary for numerous ASX listed companies.

As indicated in the Notice of Meeting (29 April 2019) the current directors Mr Robert Willes, Mr Clinton Carey & Mr Michael Fry and Company Secretary Mr Robert Lees have resigned.

The company and the incoming management team thank Mr Robert Willes, Mr Clinton Carey, Mr Michael Fry and Mr Robert Lees for their considerable commitment to the company and efforts in completing the transaction and re-listing of CEL on the ASX.

Information disclosed under ASX Listing Rule 3.16.4

Kris Knauer - CEO and Managing Director Agreement

AEP and Kris Knauer (Executive) entered into an agreement on 5 May 2019 pursuant to which Mr Knauer was appointed as managing director of AEP. The Company, AEP and Mr Knauer, have subsequently agreed, that upon Settlement of the Proposed Acquisition, the Company will assume the obligations of AEP under the agreement, the material terms and conditions of the agreement are set out below:

- (a) (Commencement Date): The date of the Company's re-admission to the Official List.
- (b) (Term): Two (2) years from the Commencement Date or until validly terminated.
- (c) (Remuneration): Mr Knauer will receive a base salary of \$240,000 per annum (excluding superannuation).
- (d) (Incentives): Mr Knauer is eligible to receive Securities under the Company's Employee Share Option Plan and Performance Rights Plan.
- (e) (Accrued Entitlements): All entitlements that have accrued to Mr Knauer prior to the date of this agreement will be honoured by the Company.
- (f) (Termination): The Company may terminate the agreement by providing six (6) months' written notice.

Scott Funston - Finance Directors Agreement

AEP and Scott Funston (Executive) entered into an agreement pursuant to which Mr Funston was appointed as company secretary, chief financial officer and finance director of AEP. The Company, AEP and Mr Funston, have subsequently agreed, that upon Settlement the Company will assume the obligations of AEP under the agreement, the material terms and conditions of the agreement are set out below:

- (a) (Position): Company Secretary, Chief Financial Officer and Finance Director
- (b) (Commencement Date): One (1) day after the Company's re-admission to the Official List.
- (l) (Term): Two (2) years from the Commencement Date or until validly terminated.
- (c) (Remuneration): Mr Funston will receive a base salary of \$150,000 per annum (including superannuation).
- (d) (Incentives): Mr Funston is eligible to receive Securities under the Company's Incentive Option Plan and Performance Rights Plan.
- (e) (Accrued Entitlements): All entitlements that have accrued to Mr Funston prior to the date of this agreement will be honoured by the Company.
- (f) (Termination): The agreement may be terminated by either party by providing three (3) months written notice.

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