

Rialto Secures \$20m To Fund African Ambitions

ASX-LISTED Rialto Energy has reached in principle agreement with the International Finance Corporation (IFC), for a proposed investment of approximately \$US20 million, via a non-brokered private placement.

The funding will be used to support the company's impending drilling operations in Block CI-202, located offshore of the Ivory Coast, which was scheduled to commence at the time of going to press.

The investment by IFC, a member of the World Bank Group, involves the issue of both ordinary shares and warrants and is subject to final approval by the board of IFC at the completion of a required 60 day public disclosure period, the execution of a final subscription agreement and approval of Rialto shareholders.

IFC provides financing and support for companies operating in emerging markets and is the largest global development institution focussed exclusively on the private sector.

It helps developing countries achieve sustainable growth by financing investment, providing advisory services to business and governments and mobilising capital in the international financial markets.

Rialto currently operates the CI-202 block offshore Cote d'Ivoire which contains the Gazelle

Field the current focus of development and first production in 2012 as well as holding significant exploration upside in the Block.

Rialto also has an interest in the Apache operated WA-399-P block in the Carnarvon Basin, Western Australia and is currently in the process of working with joint venture parties and Ghanaian governmental authorities to achieve approvals for an assignment of a 20% paying interest in the Accra Block, offshore Ghana.

Block CI-202 comprises an area of 675km² and contains four significant underappraised oil and gas discoveries; Gazelle, Hippo-1, Bubale, and Addax, all located in water depths of 50 to 100 metres.

These discoveries are assessed to have mean contingent resources totalling 50 mmbbls of liquids and 396 Bcf of gas.

Rialto is moving to develop and commercialise the Gazelle field later this year. In addition to the development opportunities which exist within CI-202, the company has identified an exciting inventory of exploration prospects and leads which will be the subject of future drilling.

DEVELOPMENT PLAN AND GAS SALES MOU

The Company has received approval for its

Field Development Plan over the Gazelle Field.

The Gazelle Field is located in shallow water depths which lie in close proximity to existing on-shore production infrastructure where production will be processed and transported to shore via bundled pipelines.

The development is scheduled to commence with the drilling of two development wells in the first quarter of 2012.

Production from the Gazelle Field is planned for the fourth quarter 2013 at 8 000 bpd of liquids and 100 mmcf of gas. To facilitate commercialization of Gazelle's gas resources, the company recently executed a Gas Sales MOU with the Ivory Coast government.

The MOU contains the essential terms for a final, binding gas sales agreement for deliveries of gas of up to 100 mmcf.

The gas sales agreement is planned to be executed ahead of Final Investment Decision for the Gazelle Field in mid-2012.

In addition to the Contingent Resource, CI-202 contains multiple low-risk, high impact exploration prospects.

Work undertaken by Rialto on the extensive data set attached to CI-202, has led to the identification of large stratigraphic traps within the block. Identified exploration targets have a combined total Mean Prospective Resource of 511MMbbls Oil and Condensate and 1 785Bcf of Gas.

A key prospect to be drilled this quarter is the Chouette prospect, which is assessed to contain a Mean Prospective Resource of 84MMbbls.

Chouette will satisfy drilling commitments for the current exploration phase of the CI-202 PSC, and will be drilled in conjunction with the two Gazelle development wells.

The three well drilling programme is currently scheduled to commence in late February 2012 using the GSF Monitor jack-up rig.

COMPETENT PERSON REPORT

A Competent Person's Report completed in September 2011 by RPS Energy Services in relation to CI-202 certified Total Mean Contingent Resources of 50 mmbbls of liquids and 396 Bcf of gas, in addition to Total Mean Prospective Resources of 511 mmbbls of liquids; and 1 785 Bcf of gas. OGA

