



June 22, 2015

Completion of Acquisition of Enkhtunkh Orchlon LLC

Terra Energy is pleased to update the market on the completion of the acquisition of 100% of the equity interest in Enkhtunkh Orchlon LLC (EO) from Noble Resources International Pte. Ltd. (Noble).

EO is the owner of the highly prospective 12600 exploration license and associated mining license application, which is adjacent to the Baruun Noyon Uul (BNU) coking coal mine in Mongolia.

The 12600 license contains the north western part of the BNU coal basin with coal seams continuing from the operating BNU Mine into the 12600 license. The 12600 license will play an important role in Terra Energy's expansion plans for the coking coal operations in the South Gobi.

A combined geological model has been constructed of the 12600 exploration data with the Terra Energy BNU exploration data and a JORC upgrade is expected imminently.

Terra Energy has recently transitioned from being an explorer to miner. Production at the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Mongolia successfully restarted in late 2014.

Terra Energy has recently secured offtake agreements with 2 end-users in China. The Company's goal is to become one of the largest and highest quality coking coal producers in Mongolia, providing exceptional value for its steel-producing customers.