

20 March 2015

Sefton Resources, Inc.
("Sefton" or the "Company")

Lifting of Bank Security

Sefton Resources Secures Lifting of \$4m Contingent Liability

As detailed in the announcement of 16 January 2015 (the "Announcement") and the accompanying notice of an extraordinary general meeting, TEG USA Inc. ("TEGU"), which was a wholly owned subsidiary of Sefton until its sale to Hawker Energy LLC ("Hawker") on 1 February 2015, has an outstanding borrowing facility (the "Facility") with the Bank of the West (the "Bank"). As outlined in the Announcement, Sefton and TEG MidContinent Inc. (Sefton's wholly owned Kansas oil and gas exploration and production subsidiary) ("TEGM") have continued to be co-borrowers under the Facility, meaning that the contingent liability for the full balance of the Facility until it is repaid in full. The Facility was secured by way of a charge on the assets of TEGU, TEGM and Sefton.

Sefton, Hawker and the Bank and have completed and signed an amendment to the terms of the Facility (the "Amendment"), which in a significant development for Sefton, has removed Sefton and TEGM as co-borrowers under the Facility and that TEGU, now a subsidiary of Hawker, is the sole borrower. Sefton and TEGM no longer provide any security or have any contingent liability for the Facility.

The material terms of the Amendment are as follows:

- Sefton has made a payment to the Bank of \$400,000.
- Sefton has returned to Hawker the 5,000,000 warrants and 1,500,000 of the 3,000,000 common shares of Hawker received by Sefton as part payment for the acquisition of TEGU (as described in the Announcement).
- Sefton will novate to the Bank the promissory note from Hawker to Sefton it is due to receive under the indemnity for the payment to the Bank of \$400,000 referred to above. As outlined in the Announcement, Hawker agreed to indemnify Sefton and TEGM for any payments made under the Facility to the Bank subsequent to the sale of TEGU, the indemnity to be satisfied through the issue of a loan note of equivalent value to Sefton. These loan notes are to carry a 6% coupon and by repayable on the earlier of full repayment of the Facility to the Bank and three years from issue.
- The assets in Kansas owned by TEGM and TEG Transmission LLC (Sefton's wholly owned Kansas gas pipeline subsidiary) are now no longer subject to any security agreement or any risk of foreclosure.

Dan Levi, Interim Executive Chairman stated; *"Achieving the goal of removing Sefton and TEGM from the Facility has been a difficult process. It has taken a significant effort by all concerned to reach an accord with the Bank and Hawker on the lifting of this \$4m contingent liability. Sefton Resources and both its subsidiaries can now move forward. I would personally like to thank the whole Sefton team for their efforts."*

Director Tom Milne commented; *“It has been our ambition to turn Sefton into a profitable enterprise for the benefit of all shareholders. The signing of the Amendment opens Sefton to many opportunities and the ongoing discussions on the sale of the Kansas assets that we announced on 24 February 2015 can now be progressed.”*

Visit www.seftonresources.com or contact:

Daniel Levi, Executive Chairman	Tel: 07912 864 195
Nick Harriss, Nick Athanas, Allenby Capital (Nomad)	Tel: 020 3328 5656
James Sheehan, Nick Bealer, Cornhill Capital (Broker)	Tel: 020 7710 9610