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The Manager
Company Announcements
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

EXECUTION OF UNDERWRITING AGREEMENT

Further to Orchid Capital Ltd's (ASX: ORC - "**the Company**" or "**Orchid**") announcements on 14 March 2011 and 21 July 2011 regarding the Company's acquisition of Indo Pacific Energy Pty Ltd ("**IPE**") pursuant to a share sale agreement between the Company, IPE and the shareholders of IPE ("**Vendors**") ("**Share Sale Agreement**"), the Company is pleased to announce that it has entered into an underwriting agreement with Minimum Risk Pty Ltd (one of the Vendors) ("**Minimum Risk**") ("**Underwriting Agreement**") pursuant to which Minimum Risk agrees to underwrite the placement by the Company of 27,000,000 shares ("**Subscription Shares**") at an issue price of $0.025 each to raise $675,000 ("**Capital Raising**").

As outlined in the 21 July 2011 announcement, the successful completion of the Capital Raising and the execution of the Underwriting Agreement are conditions precedent to completion under the Share Sale Agreement.

Under the Underwriting Agreement, the Company agrees to appoint Minimum Risk to exclusively manage the Capital Raising and to fully underwrite the offer of the Subscription Shares. The Company and Minimum Risk will mutually agree in good faith the persons to whom the offer of the Subscription Shares will be made to. The Company will pay Minimum Risk an underwriting fee of 5% of the amount underwritten under the Underwriting Agreement (being the full amount of $675,000 to be raised under the Capital Raising).

Details of the Capital Raising are as follows:

- The Subscription Shares to be offered will be fully paid ordinary shares in the capital of the Company, and will rank equally with existing ordinary shares in the Company.

- 27,000,000 Subscription Shares will be offered to investors determined by the Company and Minimum Risk. Any Subscription Shares not taken up by investors will be issued to Minimum Risk under the Underwriting Agreement.
- The Subscription Shares will be issued at a price of $0.025 per share.
- The purpose of the Capital Raising is to raise funds as part of the transaction to acquire IPE and to satisfy a condition precedent to the Share Sale Agreement.
- Orchid will not be seeking shareholder approval for the Capital Raising. The Subscription Shares will be issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- The Company and Minimum Risk will mutually agree in good faith the persons to whom the offer of the Subscription Shares will be made to.

Under the Underwriting Agreement, it is anticipated that the closing date for the Capital Raising will be 17 November 2011 and the shortfall Subscription Shares (if any) will be issued to Minimum Risk on 23 November 2011.

Orchid and IPE will now work towards satisfying the other conditions precedent to the Share Sale Agreement as set out in the Company's 21 July 2011 announcement, including seeking shareholder approval for the transaction.

Yours faithfully
Orchid Capital Limited

Richard Lambe
Company Secretary