

THIS DOCUMENT IS IMPORTANT. IT IS NOT A DISCLOSURE DOCUMENT UNDER THE CORPORATIONS ACT 2001. IT IS AN OFFER DOCUMENT ISSUED IN CONJUNCTION WITH A NOTICE UNDER SECTION 708AA OF THE CORPORATIONS ACT 2001.

PEAKO LIMITED

ABN 79 131 843 868

RIGHTS ISSUE

NON-RENOUNCEABLE PRO RATA OFFER OF NEW SHARES AT AN ISSUE PRICE OF \$0.001 (1/10th of a CENT) PER SHARE ON THE BASIS OF ONE NEW SHARE FOR EVERY SHARE HELD ON THE RECORD DATE TO RAISE UP TO \$680,253

THE ISSUE IS UNDERWRITTEN BY NATURAL RESOURCES GROUP PTY LTD (ABN 46 004 650 597) FOR A MINIMUM AMOUNT OF \$340,127

ANY INVESTMENT IN THE COMPANY'S SHARES SHOULD BE CONSIDERED SPECULATIVE.

This Rights Issue document is for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company. This Rights Issue document is not a disclosure document for the purposes of Chapter 6D of the Corporations Act and has not been lodged with ASIC. The Company is offering the securities under this Rights Issue document without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Rights Issue document is less than that required under a prospectus and Members should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to ASX, before deciding whether to take up their respective Entitlements.

All Entitlements not taken up by Eligible Members will lapse. Save to the extent necessary to enable the Underwriter to satisfy its underwriting obligation for the Underwritten Amount of \$340,127 no further Shortfall will be placed by Directors.

INVESTORS SHOULD OBTAIN PROFESSIONAL INVESTMENT ADVICE BEFORE ACCEPTING ANY OFFER OR INVITATION TO SUBSCRIBE FOR NEW SHARES CONTAINED HEREIN.

DIRECTORS

Geoffrey Albers (Chairman)
Raewyn Clark
Peter Armitage

COMPANY SECRETARY

Raewyn Clark

REGISTERED OFFICE

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AUDITORS

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STOCK EXCHANGE LISTING

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ASX Code: PKO

INCORPORATION

Incorporated in the state of Western Australia
on 25 June 2008

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THE STATEMENTS BELOW ARE IMPORTANT. APPLICANTS SHOULD READ CAREFULLY BEFORE CONTINUING FURTHER

FORWARD LOOKING STATEMENTS

Various statements in this Rights Issue document relate to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Rights Issue document.

APPLICATION FOR LISTING ON ASX

Application will be made for Official Quotation of the securities offered under this Rights Issue document on ASX Limited ("ASX"). The fact that ASX may list the securities is not to be taken in any way as an indication of the merits of the Company or the Shares. ASX takes no responsibility for the contents of this Rights Issue document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Rights Issue document.

SUITABILITY OF INVESTMENT AND RISK FACTORS

Before deciding to invest in the Company, potential investors should read this entire Rights Issue document, in particular, the summary of the Company's business and activities in Section 4 and the risk factors in Section 6. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer, licensed financial adviser or other professional adviser before deciding to invest in any securities that are the subject of this Rights Issue document.



Dear Shareholder,

On behalf of the Board of Peako Limited ("**Peako**" or the "**Company**"), I invite you to participate in Peako's non-renounceable pro rata rights issue of one (1) new Share for every Share held and registered at 7.00pm (AEDT) on Tuesday 22 March 2016 ("**Record Date**") at an issue price of \$0.001 (1/10th of a cent) per new Share ("**Rights Issue**").

The Rights Issue seeks to raise up to \$680,253 (before costs) to provide working capital for Peako as the directors seek to grow the Company's diversified portfolio of directly and indirectly held minerals and petroleum interests. If fully subscribed, a total of 680,253,247 new Shares would be issued under the Rights Issue.

The Rights Issue is partly underwritten by Natural Resources Group Pty Ltd ("**NRG**" or "**Underwriter**") for 340,127,000 new Shares in an amount of \$340,127 ("**Underwritten Amount**"). This is 50% of the new Shares offered for subscription.

NRG is a company associated with Mr Geoff Albers, the Chairman of the Company. Mr Albers and his Associates are substantial shareholders in the Company and details of those interests are set out in Section 2.

A summary of the underwriting agreement ("**Underwriting Agreement**") is set out in section 6.

Subsequent to completion of the Rights Issue it is proposed that a general meeting will be convened for the purpose of consolidating the then outstanding capital of Peako with every twenty (20) Shares being consolidated into one (1) share with fractional entitlements to Shares being rounded to the nearest Share. The effect of the proposed consolidation on the capital of Peako is set out in Section 1. One effect of the consolidation will be that, post consolidation, each Share resulting from the consolidation of new Shares issued pursuant to the Rights Issue will have an aggregate cost base of \$0.02 (2 cents).

A summary of Peako's present activities is set out in Section 3, while Section 5 contains details of the primary risks to which any investment in Peako's shares is subject. To fully inform themselves of history of Peako's activities, investors should access Peako's announcements on either Peako's website (www.peako.com) or the ASX Announcements page under ASX Code: PKO.

I encourage you to read this Rights Issue document in full, in particular the Risk Factors set out in Section 5, before deciding whether to take up your Entitlement under the Rights Issue. Should you have any doubts about what action to take, you should consult your stockbroker, accountant or other professional advisor.

On behalf of the Board, I invite you to consider this investment opportunity and look forward to your continuing support of Peako.

For and on behalf of the Board

Mrs R L Clark
Director/Company Secretary
17 March 2016

THE OFFER

Before making a decision to invest in or subscribe for Shares, you should read this Rights Issue document in full, with particular regard to the risk factors and your own investment parameters and, as necessary, should seek independent professional advice from appropriate advisers. An investment by you in Peakco should be considered as a speculative investment.

The funds raised under the Rights Issue, together with Peakco's existing funds, will enable Peakco to continue with its business of identifying investment opportunities in the natural resources sector, while retaining the benefit of a possible settlement of the Filipino disputes (see section 3).

PRO RATA RIGHTS ISSUE

This Rights Issue is an offer of 680,253,247 new Shares under section 708AA of the Corporations Act (**"the Offer"**).

The issue is underwritten for the Underwritten Amount of \$340,127 (representing 340,127,000 new Shares) by NRG, which is a company associated with Mr E G Albers.

The issue price of \$0.001 (1/10 of a cent) per new Share (**"Issue Price"**). \$0.001 is the lowest price at which shares can be quoted for sale or purchase on the stock market conducted by ASX.

ELIGIBLE MEMBERS ENTITLEMENTS

Peakco invites all of its members who are registered at 7.00pm (AEDT) on Tuesday 22 March 2016 (**"Record Date"**) (**"Members"**) or who are Eligible Members to participate in this non renounceable pro rata Rights Issue on the basis of one (1) new fully paid ordinary Share in the Company for every one (1) Share held on the Record Date, at the Issue Price of \$0.001 (1/10th of a cent) per Share.

This Rights Issue document will be sent to all Eligible Members as at the Record Date. This Rights Issue document will also be available from the Company's website: www.peakco.com.au.

Shares to be issued under this Rights Issue are ordinary shares and will rank equally with all other ordinary shares on issue from the date of issue and allotment. Details of the rights and liabilities attaching to the Shares are set out in Section 6 below.

A personalised Entitlement and Acceptance Form, which sets out each Eligible Member's entitlement to new Shares and the right to apply for Shortfall Shares, accompanies this Rights Issue document. See below for further information.

SHORTFALL OFFER

All Eligible Members, other than related parties of Peakco and their Associates, are entitled to apply for any new Shares not taken up by other Eligible Members in accordance with their respective Entitlements (**"Shortfall Shares"**) on the bases that;

- (a) no Eligible Member will be permitted to acquire new Shares from placement of the Shortfall Shares to the extent that such acquisition would result in that Eligible Member acquiring a voting power in the Company in excess of 20% of the total voting power attached to all Shares on issue subsequent to the close of the Rights Issue.
- (b) the Directors' and Underwriter reserve the absolute right to reject any Application for Shortfall Shares. Generally, subject to their overriding discretion to accept or reject any Application for Shortfall Shares, the Directors have resolved, if there is an oversubscription for Shortfall Shares, allocations of Shortfall shares will be relative to each subscriber's interest in the Company.

The total number of Shortfall Shares comprises the **"Shortfall"**.

The Entitlement and Acceptance Form contains provisions for Eligible Members to apply for Shortfall Shares in addition to their Entitlements. Applications for Shortfall Shares can only be made pursuant to the Entitlement and Acceptance Form.

In amplification of the above, except in relation to specific Entitlements of Members as set out in personalised Entitlement and Acceptance Forms, the Directors and NRG specifically reserve the absolute right to accept or reject (in whole or in part) any Application for Shortfall Shares received.

Applications for Shortfall Shares will only be accepted to the extent of the Shortfall. Where Applications for Shortfall Shares are in excess of the Shortfall then, subject to the overriding discretion of the Board and the Underwriter to reject any Application for Shortfall Shares, such Applications will be accepted on a pro rata basis.

In determining the allottees of Shortfall Shares, the Directors will ensure that none of the Shortfall Shares are placed to related parties of Peakco or their Associates.

ELIGIBLE MEMBERS AND INELIGIBLE SHAREHOLDERS

Eligible Members are those Members who:

- (c) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on the Record Date (Tuesday 22 March 2016);
- (d) have registered addresses on the Peakco Share Register in Australia or New Zealand or are otherwise eligible under applicable securities laws to receive an offer to subscribe for new Shares under the Offer. In this context "*applicable securities laws*" include the securities laws of the jurisdiction in which the Member (representing that the Member is an Eligible Member) is resident without this Rights Issue document being registered under such applicable securities laws; and
- (e) are not in the United States and are not acting for the account or benefit of a person in the United States.

Peakco reserves the right to determine whether a Member is an Eligible Member or an Ineligible Shareholder.

Where this Rights Issue document is despatched to a Member whose address in Peakco's share register is outside of Australia and New Zealand and the Member fails to take up its Entitlement in full or in part, Peakco will determine that such Member is an Ineligible Shareholder and the new shares to which that Ineligible Shareholder had an Entitlement will be issued and allotted to the Nominee as provided herein

Where a Member whose address in Peakco's share register is outside of Australia and New Zealand returns a completed personalised Entitlement and Acceptance Form or makes a payment by BPAY® and thus represents and warrants to Peakco that the Member satisfy each of the criteria listed above to be an Eligible Member, Peakco will accept such representation and determine that the Member is an Eligible Member as so represented.

Members who are not Eligible Members are Ineligible Shareholders.

By returning a completed personalised Entitlement and Acceptance Form or by making a payment by BPAY® you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Member.

Nominees, trustees and custodians are therefore advised to seek independent professional advice as to how to proceed.

Peakco may (in its absolute discretion) accept Applications from Members whose addresses in the share register are outside Australia and New Zealand who, if sent the Rights Issue document, represent, by acceptance of the Offer, that they are Eligible Members in accordance with all applicable laws as referred to above. However, Peakco will not send this Rights Issue document or any Entitlement and Acceptance Form to any person in the United States or accept Applications from United States residents or from persons in the United States or from persons who are acting for the account or benefit of United States residents or persons in the United States. Where Peakco does not make an Offer to any shareholder who has a registered address outside of Australia and New Zealand, Peakco will, in accordance with Listing Rule 7.7.1(b), send each holder to whom it will not offer the new Shares, details of the Rights Issue and an advice that Peakco will not offer new Shares to those shareholders.

REPRESENTATIONS BY ACCEPTANCE OF THE OFFER

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to Peakco that you are an Eligible Member and:

- (a) acknowledge that you have read and understand this Rights Issue document and your personalised Entitlement and Acceptance Form in their entirety;

- (b) agree to be bound by the terms of the Offer, the provisions of this Rights Issue document and Peako's constitution; and
- (c) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is an Eligible Member;
- (d) you are not in the United States and are not acting for the account or benefit of a person in the United States and that you have not sent this Rights Issue document, the Entitlement and Acceptance Form or any information relating to the Offer to any address within the United States or to any such person.

PAYMENT FOR SHARES

Application Moneys for the new Shares are payable in full on application.

The Entitlement and Acceptance Form allows you to pay for your new Shares by BPAY or by cheque, bank draft or money order. There are notes on the reverse of that form to assist you with each method of payment. See the **"How to apply for Shares"** section of the form.

If you wish to subscribe for part or all of your Entitlement or apply for Shortfall Shares in addition to your Entitlement and you are paying for your new Shares by cheque, bank draft or money order, you will need to complete the personalised Entitlement and Acceptance Form that accompanies this Rights Issue document in accordance with the instructions set out on that form and return the form with the appropriate Application Moneys, to the Company's share registry before 5:00pm (AEDT) on or before the Closing Date of Wednesday 27 April 2016 or such later date as the Directors may, in their absolute discretion, determine.

If you are paying by cheque, bank draft or money order, these must all be in Australian currency, payable to **"Peako Limited Share Subscription Account"** and be crossed **"Not Negotiable"**.

If you wish to subscribe for part or all of your Entitlement or apply for Shortfall Shares in addition to your Entitlement and you are paying for your new Shares by BPAY, you do not have to return the Entitlement and Acceptance Form but, in paying by BPAY, it is a term of this Offer that you will be deemed to have given the representations warranties and authorities set out herein and on the Entitlement and Acceptance Form. By applying for new Shares all Applicants shall be deemed to have agreed to be bound by the Company's Constitution in all respects.

If you choose to take no action with respect to your Entitlement, you will continue to hold the same number of Shares you held on the Record Date. However, your interest in the Company will be diluted.

ENTITLEMENT AND ACCEPTANCE FORMS

Accompanying this Rights Issue document is a personalised Entitlement and Acceptance Form that sets out your Entitlement.

There is no minimum subscription and Eligible Members may take up their Entitlements in whole or in part. Additionally, Eligible Members (other than related parties of Peako and their Associates) may apply for Shortfall Shares under the Shortfall Offer in the manner provided by the Entitlement and Acceptance Form.

OPENING AND CLOSING OF THE OFFER

Offers under the Rights Issue will open at 9:00am (AEDT) on Tuesday 29 March 2016 (**"Opening Date"**) and, will close at 5:00pm (AEDT) on Wednesday 27 April 2016 (**"Closing Date"**) or such later date determined by the Directors. Subject to the requirements of the Corporations Act (**"the Act"**), the Directors reserve the right to extend the Closing Date without prior warning.

ACCEPTANCE OF APPLICATIONS FOR SHARES

If your Entitlement and Acceptance Form is not completed properly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. The decision of the Directors as to whether to treat any application for new Shares as valid and how to construe, amend or complete it will be final. The Directors may complete any blanks or spaces left in any Entitlement and Acceptance Form and you, by lodging that form, appoint the Directors, and each of them, as your joint and several attorneys for such purpose and authorise all such amendments, insertions and alterations.

Notwithstanding the above, you will not be treated as having applied for any new Shares in excess of your Entitlement or such lesser number of new Shares than can be subscribed for by the amount of the Application Moneys paid. In amplification, if the number of new Shares to which your Entitlement is to 50,000 new

Shares (with an aggregate subscription price of \$50.00 and the Application Moneys paid by you total \$25.00, you will be deemed to have applied for 25,000 new Shares only. By contrast if your Application Moneys total \$100.00 and your Entitlement is 50,000 new Shares you will only be issued and allotted 50,000 new Shares unless you have applied for Shortfall Shares by completing the Entitlement and Acceptance Form as required.

A completed and lodged Entitlement and Acceptance Form, together with a cheque, bank draft or money order for the Application Money, or the payment of your Application Moneys by BPAY, constitutes a binding and irrevocable Application for the number of new Shares specified in the Entitlement and Acceptance Form or such lesser number of new Shares which could be subscribed for by the Application Moneys paid by you.

SPECULATIVE NATURE OF OFFER AND PROJECTS AND RELEVANT RISK FACTORS

You should:

- understand that natural resources projects are both speculative and subject to a high level of risk and that adverse exploration or development results could result in diminution of the value of your investment.
- have regard to the speculative nature of the Company's existing projects and exploration activities and their present status and to the risks discussed in Section 5. You should understand that the Company's interests in SC6 Cadlao are subject to various disputes and that there exist other disputes in relation to SC6 Cadlao between other participants therein. You should understand that unless all of these disputes are resolved, the Company's interests in SC6 Cadlao will not have any value and that there is no certainty that these disputes will, or can, be resolved.
- read this Rights Issue document carefully and in its entirety, with focus on the Company's activities and interests referred to in Section 3 and with focus on the risk factors detailed in Section 5, before deciding to invest in the Company.

MINIMUM SUBSCRIPTION

The minimum subscription is the Underwritten Amount.

ENTITLEMENTS NOT TAKEN UP BY ELIGIBLE MEMBERS

Save for:

- (a) any new Shares applied for by Eligible Members under the Shortfall Offer;
- (b) the placement of new Shares from Shortfall to the Underwriter as necessary to enable the Underwriter to meet its underwriting obligation by underwriting the Rights Issue in the Underwritten Amount;
- (c) any new Shares which may be issued and allotted to the Nominee in accordance with the requirements of section 615 of the Act, as referred to below;

all Entitlements to new Shares not taken up will lapse and any Shortfall Shares not subscribed for will not be placed to other investors.

OVERSEAS MEMBERS

This Rights Issue document has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Rights Issue document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Entitlements or the new Shares, or otherwise permit the public offering of the new Shares, in any jurisdiction other than Australia and New Zealand. This Offer of new Shares is non-renounceable and therefore the right to acquire new Shares cannot be acquired by or exercised by any person other than the Eligible Member to whom the Offer is made.

All Overseas Members should carefully consider whether they are or are not an Eligible Member who is entitled under applicable securities laws to receive an offer to subscribe for new Shares under the Offer and entitled to

subscribe for same without this Rights Issue document being registered under such applicable securities laws. If an Overseas Member considers that they are so entitled and that Overseas Member lodges an Entitlement and Acceptance Form accompanied by the applicable Application Moneys then Peako will rely on the representation and warranty so made that the Overseas Member is an Eligible Member and not an Ineligible Shareholder. In this context “*applicable securities laws*” include the securities laws of the jurisdiction in which the Member (representing that the Member is an Eligible Member) is resident

The distribution of this Rights Issue document (including an electronic copy and including any Entitlement and Acceptance Form) outside Australia and New Zealand may be restricted by law. If you come into possession of this Rights Issue document, you should observe all restrictions on your right to acquire the new Shares under the laws of the jurisdiction in which you are resident or by which you are bound and should seek your own advice on such restrictions.

Any non-compliance by you with those restrictions may contravene applicable securities laws.

New Zealand

New Shares are not being offered to the public within New Zealand other than to existing shareholders of Peako with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Rights Issue document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Rights Issue document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information an investment product disclosure statement under New Zealand law is required to contain.

United States

Entitlements (or Rights) and new Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the new Shares may be offered to or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Entitlements and the new Shares the subject of the Offer will be sold only in ‘*offshore transactions*’ (as defined in Rule 902(h) under the US Securities Act of 1933 (“**US Securities Act**”)) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Rights Issue document, any Entitlement and Acceptance Form or any other material relating to the Offer to any person in the United States.

NOMINEE SALE PROCEDURE

To ensure that this Rights Issue falls within the “*rights issue*” exception in section 611 to the general prohibition on acquisition of shares contained in section 610 of the Act, the Company has, with the approval of ASIC, appointed Holdex Nominees Pty Ltd (a wholly owned subsidiary of Baillieu Holst Limited) to act as the nominee (“**Nominee**”) to sell the new Shares that might have otherwise been issued to Members resident outside of Australia and New Zealand (“**Ineligible Shareholders**”).

The nominee sale procedure will be as follows:

- (a) the Company will issue to the Nominee the new Shares that Ineligible shareholders would be entitled to if they were to participate in the Offer of new Shares under the Rights Issue;
- (b) the Nominee will use its best endeavours to sell the new Shares at a price and otherwise in a manner determined by the Nominee in its sole discretion; and
- (c) the net proceeds of the sale of the new Shares (after deducting the aggregate subscription price of the shares and the reasonable costs of the section 615 nominee procedure, including costs of sale), if any, will be distributed to the Ineligible Shareholders for whose benefit the new Shares are sold in proportion to their shareholdings as at the Record Date.
- (d) If any such net proceeds of sale are less than such reasonable costs referred to above, such proceeds may be retained by the Company. Accordingly there is a possibility that Ineligible Shareholders may receive no net proceeds if the subscription price plus such costs are greater than the sale proceeds.

The Company will not be held liable for the sale of any of the new Shares of Ineligible Shareholders at any particular price or the timing of such a sale;

- (e) The Nominee will not sell any of the new Shares to any related party of the Company or to any Associate of any such related party.

The Nominee will be paid a fee of \$500 (plus GST), brokerage at a rate of 7.5% on the sale of the said new Shares together with its expenses of sale of such new Shares and of accounting for the proceeds of sale thereof as such nominee.

ALLOTMENT

The Directors will proceed to allotment of the new Shares which are the subject of this Rights Issue document and for which valid Applications have been made by Eligible Members, and in respect of which the Application Moneys have been paid, as soon as possible after the Closing Date.

All Application Moneys pending allotment and issue of the new Shares, shall be held by the Company in trust in a bank account established solely for the purpose of depositing Application Money received. Any interest earned on those moneys shall be to the account of the Company.

It is the responsibility of Applicants to determine their allocation of new Shares prior to dealing in those securities. Any Applicants who sell or otherwise deal in any new Shares before they receive their Transaction Confirmation Statements will do so at their own risk.

The Entitlement and Acceptance Form which accompanies this Rights Issue document contains a warranty that the Applicant has personally received the complete and unaltered Rights Issue document (and any relevant supplementary Rights Issue document) prior to completing the Entitlement and Acceptance Form, or where the Applicant pays the Application Moneys by BPAY, prior to making such payment.

The Company reserves the right to not accept an Application from a person if it has reason to believe that, when that person was given access to the Entitlement and Acceptance Form, they were not provided with the Rights Issue document and any relevant supplementary Rights Issue document or any of these documents were incomplete or altered. In any such case, the Application Moneys received will be dealt with in the manner provided for in section 722 of the Act.

UNDERWRITING AND COMMISSION

The Rights Issue is underwritten by NRG for the Underwritten Amount of \$340,127 for an Underwriting Fee of 7.5% of the Underwritten Amount (\$25,510).

In addition to the above fees, NRG will receive reimbursement of its out-of-pocket expenses directly related to the transaction. Further details of the Underwriting Agreement, including the conditions on which the Underwriting Agreement has been entered into and the circumstances in which NRG may avoid its underwriting obligation are set out in Section 6 below.

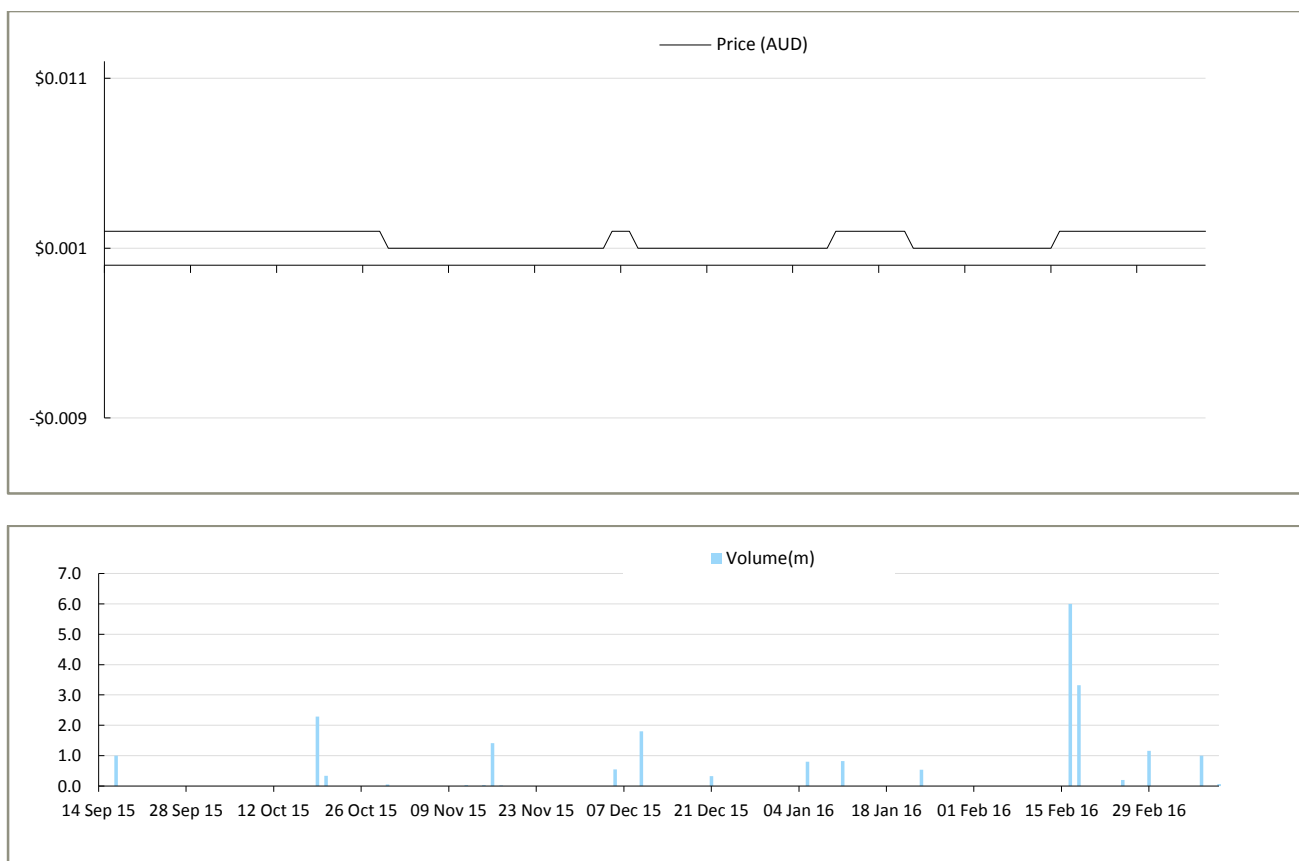
FACTORS RELEVANT TO UNDERWRITING DECISION

The decision to enter into the Underwriting Agreement for the Underwritten Amount was made after consideration of other alternatives for raising capital and in the context that Peako requires funds to meet ongoing corporate expenses and to ensure that, insofar as possible, Peako remains compliant with Listing Rule 12.2 which requires that an entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

Octanex, holding a 20.94% shareholding in Peako has indicated that it does not intend to take up its Entitlement under the Rights Issue. Having regard to those facts and the fact that the previous two rights issues made by the Company did attract minimal shareholder support other than from Mr Albers and his Associates (including Octanex), it was considered that, unless the Rights Issue was partly underwritten, it would be unlikely to attract shareholder support and unlikely to raise the minimum level of funding which is considered necessary to enable the Company to meet ongoing operating expenses.

Approaches to stockbrokers to underwrite the Rights Issue were declined and NRG's services as underwriter were proffered by Mr Albers and accepted.

The Shares are very thinly traded on ASX. The following chart illustrates trading in the Shares over six months up to 14 March 2016.



The following table illustrates trading in the Shares over six months up to 14 March 2016 with details being set out on a monthly basis.

Month/Period Ended	Open \$	High \$	Low \$	Close \$	Volume	Value \$	No of Transactions
To 14 Mar-16	0.002	0.002	0.001	0.002	1,960,545	3466.55	3
29-Feb-16	0.002	0.003	0.002	0.002	10,675,000	22007.61	19
31-Jan-16	0.001	0.002	0.001	0.001	3,170,000	4460.00	10
31-Dec-15	0.002	0.002	0.001	0.001	3,064,976	3614.95	12
30-Nov-15	0.001	0.001	0.001	0.001	1,568,636	1568.64	7
31-Oct-15	0.001	0.002	0.001	0.001	3,570,697	5570.70	11
30-Sep-15	0.002	0.002	0.001	0.002	2,237,272	3837.27	7
TOTALS					26,247,126	\$44,525.72	69

Recent Market Prices of Shares on ASX

The lowest and highest market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Rights Issue document are as follows. The highest price was \$0.003 recorded on 29 February 2016 with the lowest price of \$0.001 being recorded on all other days on which the Shares traded in the three month period save for 11 January 2016, each of 16, 17 and 24 February 2016 and 8, 10 and 15 March 2016, on which days the Shares traded at \$0.002.

The last sale price for Shares on ASX prior to the date of this Rights Issue document was \$0.002 on 15 March 2016.

Consequences of not raising funds

Unless Peako raises funds of at least the Underwritten Amount Peako will have insufficient funds to enable it to meet its future ongoing expenditure requirements. Further, as noted above, Peako needs to raise funds of at least the Underwritten Amount to ensure compliance with ASX Listing Rule 12.2 which requires that an entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing. As at 31 December 2015 Peako had cash funds at bank of approximately \$60,000 which is considered insufficient for either of those purposes.

Non-viability of sale of assets and other alternative funding mechanisms

In considering how to raise funds, the Board considered the prospect of sale of assets, but the only assets available for sale are:

- (f) its direct or indirect interests in SC6Cadlao which are all of uncertain value and regarded by the Board as unsaleable until or unless all the present disputes in relation to Sc6 Cadlao are satisfactorily resolved;
- (g) its minerals exploration interests at Sunday Creek and in the Mount Seers regions, which are still in application stage and which, in the Board's opinion, although prospective, are unlikely to attract buyer interest until the applications are granted.

Other ways of raising funds such as project financing and debt finance are not readily available, as Peako has no capacity to service any such financing and no certainty that any such borrowing could be repaid.

Minimal prospect of Rights trading if Rights Issue was renounceable

The Board also considers that, given that the Issue Price of \$0.001, the amount to be raised and that 76.32% of the capital of Peako is held by the top 20 shareholders, there is little point in making the issue renounceable.

Given that the Issue Price is the lowest price at which securities can be traded on ASX, no market on ASX is feasible for Rights trading. Even if a market for Rights trading on ASX was feasible, there is comparatively little trading in Peako Shares and this would not provide any positive indications for successful Rights trading.

Further, given the Issue Price, even if there was an alternate market for Rights, for all but a small minority of Members, the value of the Rights would be exceeded by the costs of selling same.

INTENTIONS OF DIRECTORS

Neither Ms R Clark nor Mr Armitage hold any Shares in Peako. Mr Albers intends to take up the 21,000,000 new Shares to which he is personally entitled.

ATTITUDE OF BOARD AND UNDERWRITER TO PEAKO'S CONTINUING OPERATIONS AND OTHER MATTERS

The Board and NRG presently intend that, subject to the matters set out below, Peako should;

- (a) continue to carry on its business of identification, exploration and development of natural resources projects;
- (b) continue with its involvement in SC6 Cadlao with the aim of resolving the various outstanding conflicts so as to create value for Members from the SC6 Cadlao Oilfield re-development project (**Cadlao Project**) and that, for that purpose, Peako take such action as requisite to protect and maintain the ownership of its assets as referred to herein and to maintain its rights in relation to those assets. This is subject to the over-riding caveat that if a resolution of those disputes cannot be achieved within a reasonable time, then it is possible that Peako sell or otherwise dispose of those interests;
- (c) continue to advance the Sunday Creek and Mount Seers Exploration Licence applications;
- (d) not dispose of any of Peako's assets otherwise as determined by resolution of the Peako Board. The primary circumstances where a disposition of assets may occur are where:
 - (i) it becomes necessary or desirable to raise funds to meet obligations relating thereto and that requires partial disposition or sale of assets to parties unrelated to NRG or its Associates. Any such sales or dispositions would be negotiated on an arm's length basis.
 - (ii) resolution of the existing disputes relating to Cadlao and Peako's various interests therein may require a total re-organisation of those interests and those of all other relevant parties to those disputes; or
 - (iii) the existing disputes in relation to SC6 Cadlao become, in the opinion of the Board, impossible to resolve and the Board determines to dispose of relinquish some or all of its various interests in or in relation to SC6 Cadlao.
- (e) Monitor potential recoverability of residual asset (loan to PT Realto Energi Nusantara Corelesi (Renco) of US\$585,000) associated with the South Block A Production Sharing Contract in Indonesia

- (f) not transfer any of Peakco's assets to NRG (or any of its Associates) or transfer any assets of NRG (or any of its Associates) to Peakco unless otherwise resolved upon by the then members of Peakco at a general meeting convened and held in accordance with the Act, the Listing Rules and all applicable ASIC Regulatory Guidelines
- (g) to maintain the current employment of all of Peakco's present employees and consultants. There is no present intention to adversely change the terms on which any of those persons presently provide services to Peakco.

The above reflects the Board's and the Underwriter's present attitudes to these matters. However, if circumstances change, this may lead to a change in those attitudes to reflect and accommodate such changed circumstances. Notwithstanding that, any future corporate action taken by Peakco will be carried out in accordance with all relevant regulatory requirements.

TERMS OF THE UNDERWRITING AGREEMENT

The terms of the Underwriting Agreement are more favourable to Peakco than the terms which might be obtained from a professional underwriter or stockbroking firm or any other party on an arm's length basis. In particular, most of the exclusions under which an underwriter has a right to avoid the underwriting commitment contained in an underwriting agreement are omitted from the Underwriting Agreement. The effect of this is that the probability that NRG will be compellable to provide the requisite funding needed by Peakco is accordingly much higher than in a conventional underwriting.

Mr Albers abstained from voting on the resolution to approve the Rights Issue being underwritten by NRG, his Associate.

POSSIBLE EFFECT OF UNDERWRITING ON CONTROL OF PEAKCO

If Eligible Members (being all Members other than Ineligible Shareholders) take up their full Entitlement under the Rights Issue they will not be diluted.

If Eligible Members do not take up their Entitlements or if they only take up part of their Entitlements, they will be diluted.

Ineligible Shareholders will have their holdings diluted by the issue of new Shares under the Rights Issue. The extent of any dilution will depend on the level to which the Rights Issue is subscribed by Eligible Members taking up their respective Entitlements and by NRG meeting its obligations to underwrite the Underwritten Amount.

The effect of the Rights Issue on control of the Company will depend upon a number of factors including the level to which Eligible Members take up their Entitlements and the identity of those Members. It is not possible for the Directors to predict the level of participation by Eligible Members.

In relation to the effect of the Underwriting on the control of the Company it should be noted that the Albers Shareholdings currently represent 49.32% of the voting power attached to all Shares on issue.

If the Underwriting is completed, and the Albers Shareholders (including the Underwriter) acquire the maximum number of new Shares the subject thereof (up to 340,127,000 new Shares) by either taking up their respective Entitlements or, in the case of the Underwriter, by subscribing for that part of the Shortfall as necessary to enable the Underwriter to meet its underwriting obligation, then the Albers Shareholdings relevant interests in Peakco may increase substantially depending on the actual level of subscription by Eligible Members taking up their Entitlements.

The tables below take into account what the Albers Shareholders present relevant interests and voting power in Shares are now and the effect on those relevant interests of various levels of acceptance under the Rights issue. This is analysed in four cases. Table one assumes in all cases that Mr Albers takes up his Entitlement to 21,000,000 new Shares and assumes that other Albers shareholders take up Entitlements to 40,000,000 new Shares. Table two assumes in all cases that Mr Albers takes up his entitlement of 21,000,000 new Shares but that no other Albers shareholder takes up any Entitlement. Each table makes the further assumptions that:

- (a) CASE A: Assumes that no other Eligible Members take up their respective entitlements and that NRG takes up sufficient Shortfall to meet its underwriting obligation. This is 279,126,624 new Shares in Table one and 319,126,624 new Shares in Table two.
- (b) CASE B: Assumes that other Members holding 25% of the remaining new Shares in Peakco subscribe for 86,186,997 new Shares and that NRG takes up sufficient Shortfall to meet its underwriting obligation. This is 192,939,627 new Shares in Table one and 232,939,627 new Shares in Table two.

- (c) CASE C: Assumes that other Members holding 50% of the remaining Shares in Peakco subscribed for 172,373,994 new Shares and that NRG takes up 146,752,630 new Shares in Table two.
- (d) CASE D: Assumes all Members (other than the Albers Shareholders) take up their full Entitlements) with NRG not taking up any Shortfall.

It is assumed that new Shares not subscribed for by Members or by NRG in satisfaction of its underwriting obligation have lapsed and that Shortfall not subscribed for under the Shortfall Offer or taken up by the Underwriter in satisfaction of its underwriting obligation will not be placed by the Board.

TABLE 1: VARIOUS POSSIBLE INCREASE IN CONTROL SCENARIOS RESULTING FROM UNDERWRITING ASSUMES ALBERS SHAREHOLDERS TAKE UP ENTITLEMENTS FOR 61,000,000 NEW SHARES				
	Case A	Case B	Case C	Case D
Present Issued Capital	680,253,247	680,253,247	680,253,247	680,253,247
Present Albers Shareholding				
EG Albers Personal Holding	21,000,000	21,000,000	21,000,000	21,000,000
Octanex NL (ASX:OXX)	142,448,684	142,448,684	142,448,684	142,448,684
Other Albers Group entities	172,056,575	172,056,575	172,056,575	172,056,575
Total Albers Shareholding	335,505,259	335,505,259	335,505,259	335,505,259
Current Voting Power	49.32%	49.32%	49.32%	49.32%
Albers Shareholders Entitlement				
EG Albers Personal entitlement	21,000,000	21,000,000	21,000,000	21,000,000
Octanex NL (ASX:OXX) entitlement	142,448,684	142,448,684	142,448,684	142,448,684
Other Albers Group entities entitlement	172,056,575	172,056,575	172,056,575	172,056,575
Total Albers entitlement	335,505,259	335,505,259	335,505,259	335,505,259
New Shares				
Shares subscribed for by E G Albers	21,000,000	21,000,000	21,000,000	21,000,000
Shares subscribed for by Octanex NL (1)	0	0	0	0
Shares subscribed for by Other Albers Group entities (2)	40,000,000	40,000,000	40,000,000	40,000,000
Total shares subscribed for by Albers Group	61,000,000	61,000,000	61,000,000	61,000,000
Shares subscribed for by other Members	0	86,186,997	172,373,994	344,747,988
Shares subscribed for by Underwriter	279,126,624	192,939,627	106,752,630	-
Total New Shares	340,126,624	340,126,624	340,126,624	405,747,988
Capital Post Issue	1,020,379,871	1,020,379,871	1,020,379,871	1,086,001,235
Post Issue Albers Shareholding	675,631,883	589,444,886	503,257,889	396,505,259
Albers Shareholders Voting Power Post Issue	66.21%	57.77%	49.32%	36.51%
Increase (decrease) in Albers Shareholders Voting Power	16.89%	8.45%	0.00%	-12.81%
(1) Octanex NL (ASX: OXX) has indicated that it will not participate in the Rights Issue.				
(2) Other Albers Group Entities have not yet determined the level to which they will participate in the Rights Issue. Take up of 40,000,000 new Shares has been shown in order to demonstrate that to the extent that other Albers Shareholders participate, the underwriting obligation will reduce proportionately.				

TABLE 2: VARIOUS VARIATION TO TABLE 1: ASSUMES E G ALBERS TAKES UP 21,000,000 NEW SHARES BUT NO OTHER ALBERS SHAREHOLDERS OTHER THAN E G ALBERS TAKE UP THEIR ENTITLEMENTS				
	Case A	Case B	Case C	Case D
Total shares subscribed for by Albers Group	21,000,000	21,000,000	21,000,000	21,000,000
Shares subscribed for by underwriter	319,126,624	232,939,627	146,752,630	
Post Issue Albers Shareholding	675,631,883	589,444,886	503,257,889	356,505,259
Albers Shareholders Voting Power Post Issue	66.21%	57.77%	49.32%	34.08%
Increase (decrease) in Albers Shareholders Voting Power	16.89%	8.45%	0.00%	-15.24%

IMPORTANT DATES

This Rights Issue is being conducted according to the following indicative timetable:

Event	Date
Announcement and Application for Quotation	Wednesday 16 March 2016
Notice of Rights Issue to ASX and Lodge Appendix 3B, 708AA Notice and Rights Issue doc with ASX	Thursday 17 March 2016
Give notice to Optionholder	Thursday 17 March 2016
Despatch Letter to Members containing the information required by App 3B	Friday 18 March 2016
Shares are quoted on an “ex” basis	Monday 21 March 2016
Rights Issue Record Date ¹	Tuesday 22 March 2016
Despatch Rights Issue document and Entitlement and Acceptance Form: Rights Issue opens	Tuesday 29 March 2016
Acceptances Close (“Closing Date”) ²	Wednesday 27 April 2016
Deferred settlement trading commences	Thursday 28 April 2016
Notify ASX of undersubscriptions	Friday 29 April 2016
Notify Underwriter of Shortfall	Wednesday 4 May 2016
Allotment of Rights Issue Shares ²	Wednesday 4 May 2016
Deferred Delivery Trading ceases	Wednesday 4 May 2016
Despatch of Transaction Confirmation Statements	Wednesday 4 May 2016
Receipt of Applications for Shortfall from Underwriter	Wednesday 18 May 2016
Issue Shares to Underwriter	Thursday 19 May 2016

¹This date, and all dates after this date are indicative only. The Company reserves the right to extend the Closing Date, in which case the Allotment Date will change accordingly.

² Subject to the unqualified right of the Directors to extend the Closing Date.

SOURCE AND APPLICATION OF FUNDS

The primary use of the funds to be raised is to contribute towards working capital.

The Table below sets out use of funds based on only the Underwritten Amount being subscribed and, separately, on the basis that full subscription is achieved.

SOURCE AND APPLICATION OF FUNDS		
	Full Subscription	Underwritten Amount only subscribed
Current Funds Available as at 31 December 2015 (including current trade and other receivables as at 31 December 2015)	62,281	62,281
This Capital Raising	680,253	340,127
Total Funds Available	742,534	402,408
<i>Expenditure</i>		
Payment of accrued creditors as at 31 December 2015	33,070	33,070
Underwriting Fee	25,510	25,510
Other Costs of the Issue (including Legal fees, printing, postage, Share Registry and ASX Listing Fees)	35,000	35,000
Available Working Capital	648,954	308,828

APPLICATION FOR QUOTATION OF SECURITIES OFFERED BY THIS RIGHTS ISSUE DOCUMENT

Application will be made for Official Quotation of the new Shares offered under this Rights Issue document on ASX. The fact that ASX may list the new Shares is not to be taken in any way as an indication of the merits of Peakco or the new Shares. ASX takes no responsibility for the contents of this Rights Issue document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Rights Issue document.

CHESS

The Company participates in the Clearing House Electronic Sub-register System ("CHESS"), in accordance with ASX Listing Rules and operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register. Consequently, the Company will not issue certificates to securityholders but they will be provided with a Transaction Confirmation Statement, similar to a holding statement, which will set out the number of Shares allotted to them under this Rights Issue document. At the end of the month of allotment, CHESS (acting on behalf of the Company) will provide securityholders with a holding statement that confirms the number of securities held. A holding statement or transaction confirmation statement, whether issued by CHESS or the Company, will also provide details of a securityholder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer-sponsored sub-register). Following distribution of these initial statements to all securityholders, a holding statement will be provided to each securityholder at the end of any subsequent month during which the balance of that securityholder's holding of securities changes.

TAXATION AND STAMP DUTY IMPLICATIONS

Applicants should seek their own independent advice in relation to matters relating to the operation of taxation and stamp duty laws. The Company is unable to give advice on taxation matters generally, as each Applicant's position will relate to their own specific circumstances. Applicants should satisfy themselves of possible taxation consequences of purchases and sales of securities by consulting their own professional tax advisers.

SUITABILITY OF INVESTMENT

Before deciding to invest in the Company, you are strongly recommended to read this Rights Issue document carefully and in its entirety, with particular emphasis on the Company's business and activities described in Section 3 and the risk factors described in Section 5. You should understand that exploration and development of natural resources is both speculative, high risk and subject to a wide range of risks. You should consider the above matters in light of your personal circumstances (including financial and taxation affairs), your own risk profiles and your investment parameters and, as necessary, seek professional advice from your accountant, stockbroker, lawyer, licensed financial adviser or other professional adviser before deciding whether to apply for Shares.

ENQUIRIES GENERALLY

For all enquiries in relation to the Rights Issue and how to take up your Rights or apply for Additional Shares please contact the Share Registry (+ 618 9315 2333). You may also contact the Share Registry at the address set out in the corporate directory that can be found on the inside of the front cover of this Rights Issue document.

For all other enquiries please Ms Rae Clark, on +613 8610 4709.

Section 2

CAPITAL STRUCTURE AND FINANCIAL INFORMATION

PRESENT CAPITAL STRUCTURE

The present capital structure of the Company comprises 680,253,247 fully paid ordinary shares and 20,000,000 Options to acquire ordinary shares at \$0.28 expiring 25/11/16 as set out in the table below.

CAPITAL STRUCTURE ON COMPLETION OF THE ISSUE

On completion of the Issue the capital structure of the Company will be as set out in the table below.

CAPITAL STRUCTURE ON COMPLETION OF THE ISSUE		
	Assuming Full subscription	Assuming Underwritten Amount only subscribed
Existing Shares	680,253,247	680,253,247
Number of Shares being offered under this Rights Issue document	680,253,247	680,253,247
Total Number of New Shares subscribed	680,253,247	340,127,000
Total number of Shares immediately after allotment of new Shares under the Offer	1,360,506,494	1,020,380,247
Options extant exercisable at \$0.28 expiring 25/11/16	20,000,000	20,000,000

CAPITAL STRUCTURE POST CONSOLIDATION

On completion of the Issue the capital structure of the Company will be a number of Shares between 1,360,506 494 at a maximum and 1,020,380,247 at a minimum.

Assuming that the proposed consolidation of Shares on the basis of each twenty (20) Shares being consolidated into one (1) Share takes place post completion of the Rights issue the number of Shares on issue will reduce to between 68,025,325 Shares at maximum and approximately 51,019,012 Shares at a minimum.

The proposed consolidation will not change each Member's then percentage holding of Shares in the Company but the number of Shares held by each Member will reduce by a factor of 20.

RIGHTS AND LIABILITIES ATTACHING TO SHARES

The rights and liabilities attaching to the Shares are detailed in Section 6. The Shares allotted under the Rights Issue will be fully paid ordinary shares which will rank equally with all other shares on issue from the date of their allotment.

SUMMARY FINANCIAL INFORMATION AS AT 31 DECEMBER 2015

Set out below are a series of pro forma balance sheets all prepared on a consolidated basis setting out the effect of the Issue on the same bases as set out in the Application and Source of Funds cases. Namely, that only the Underwritten Amount is raised (\$340,127) and full Subscription (\$680,253).

Full details of the Company's financial position as at 30 June 2015 is set out in the Annual report as lodged with ASIC and ASX. Details of the Company's financial position as at 31 December 2015 are set out in half yearly audit reviewed Interim Financial report as at 31 December 2015 which was lodged with ASX on 15 March 2016.

In November 2015 the Company successfully restructured its debt with Octanex of \$1,284,744, which was otherwise due for repayment in June 2016, (Octanex Loan). The Octanex loan was converted into a proceeds-sharing arrangement whereby Octanex will share in any proceeds that Peako receives in connection with any of its Cadlao interests.

Summary Audited Accounts as at 30 June 2015, audit reviewed accounts as at 31 December 2015 and Pro Forma Financial Statements based on assumptions set out below and the audit reviewed accounts as at 31 December 2015, all prepared on a consolidated basis and on the on bases that the Underwritten Amount is subscribed and on that full subscription is achieved.

	Audited Accounts as at 30 June 2015	Audit reviewed financial position as at 31 December	Pro Forma assuming only Underwritten Amount subscribed	Pro Forma assuming full subscription
Current Assets				
Cash and cash equivalents	52,985	59,998	306,545	646,671
Trade and other receivables	576,037	2,283	2,283	2,283
Total Current Assets	620,022	62,281	308,828	648,954
Non-Current Assets				
Trade and other receivables	6,623	6,962	6,962	6,962
Plant and equipment	3,578	-	-	-
Oil and gas deferred exploration expenditure	-	-	-	-
Oil and gas development expenditure	-	-	-	-
Mineral exploration project acquisition costs	-	-	-	-
Total Non-Current Assets	10,201	6,962	6,962	6,962
TOTAL ASSETS	630,223	69,243	315,790	655,916
Current Liabilities				
Trade and other payables	61,396	33,070	-	-
Borrowings	1,714,381	-	-	-
Total Current Liabilities	1,775,777	33,070	-	-
TOTAL LIABILITIES	1,775,777	33,070	-	-
(NET LIABILITIES) NETASSETS	(1,145,554)	36,173	315,790	655,916
EQUITY				
Issued capital	36,528,192	36,528,192	36,807,809	37,147,935
Reserves	1,895,127	1,895,487	1,895,487	1,895,487
Accumulated losses	(39,568,873)	(38,387,506)	(38,387,506)	(38,387,506)
NET EQUITY (DEFICIENCY)	(1,145,554)	36,173	315,790	655,916

The pro forma statements of financial position are based on the assumption that the costs of the issue are as set out in the Source and Application of Funds statement in each instance and that they are paid in cash and are offset against contributed equity

PROFITABILITY OF PEAKO

Peako has a history of diversified direct and indirect resources investment, in both development and exploration projects. Peako is not currently profitable and is not expected to be profitable in the foreseeable future.

DIVIDEND HISTORY

Peako has not paid any dividends and does not expect to pay dividends in the foreseeable future.

PRIOR ASX RELEASES

The Company's 2015 Annual Financial Report was lodged with the ASX on 30 September 2015. Subsequent to that date the Company lodged its 31 December 2015 Quarterly Activities Statement on 29 January 2016.

On 15 March 2016 released its half yearly audit reviewed Interim Financial report as at 31 December 2015. The Company has also made the following ASX Releases referred to in the table below which you should also access to ensure that you are fully informed in relation to the Company and its activities.

Each of these reports and releases are available on www.peako.com.au and www.asx.com.au (ASX code: PKO) and contain details of the Company's position, as well as a review of operations. You may also access copies of all of the Company's other ASX Releases at the same websites. You are encouraged to read these documents in full. These documents contain extensive information on the Company and its projects. You should read these documents in conjunction with this Rights Issue document to more fully inform yourself as to the assets and liabilities, financial position and performance, profits and losses and prospects of the Company.

<u>DATE</u>	<u>HEADLINE</u>
15/03/2016	Interim Financial Report - 31 December 2015
29/01/2016	Quarterly Activity Report - December 2015
22/01/2016	Peakco Corporate and Recapitalisation Proposal
27/11/2015	Change of Company Name
26/11/2015	OXX: Satisfaction of Loan to Peak Group
26/11/2015	Discharge of Octanex Loan
26/11/2015	Results of General Meeting
26/11/2015	Results of Annual General Meeting
26/11/2015	Corporate Presentation - November 2015
26/11/2015	Chairman's Address to Shareholders
30/10/2015	Quarterly Reports - 30 September 2015
26/10/2015	Notice of General Meeting/Proxy Form
20/10/2015	Notice of Annual General Meeting/Proxy Form
19/10/2015	Appendix 4G and Corporate Governance Statement
30/09/2015	Peak Annual Report 2015

CORPORATE STRATEGY

Peako is natural resources company with a history of diversified direct and indirect resource investment. Peako's strategy is to make resource investments with the objective of growing shareholder value.

Peako shareholders presently have exposure to a portfolio of minerals and petroleum interests, directly and indirectly held. In previous years the Company has provided exposure to uranium exploration in the Kyrgyz Republic (by investment in Business Sphere LLC) and exposure to oil and gas exploration in Indonesia (by investment in Renco Elang Energy Pte Ltd). It presently has a 40% shareholding in VenturOil Philippines Inc (**VenturOil**) (see below).

In addition to its oil development interests in the Philippines and mineral exploration interests in Western Australia, which are described in more detail below, the company intends to grow through additional resources investment. Peako's directors will consider petroleum opportunities, as well as minerals opportunities, considering both exploration and development opportunities. The current cycle of the natural resources industry can be expected to present significant low cost investment opportunities.

ACTIVITIES, OPERATIONS & INVESTMENTS: PHILIPPINES

PROJECT

SC6 Cadlao - Cadlao Oilfield Re-development Project, the Philippines

Peako holds various direct and indirect interests in relation to the Cadlao Project through its subsidiary Peak Oil & Gas (Australia) Pty Ltd (Peak). They are as follows:

1. A 25% Cadlao joint venture interest (held in trust by Cadlao Development Company Limited (Cadco)(formerly Blade Petroleum Philippines Limited ("BPPL")) or, alternatively, an entitlement to receive \$6.7 million as consideration for the buyback of the 25% interest (see Cadco Buyback Right below); and
2. A prospective indirect economic interest held by way of a 40% shareholding held by our subsidiary, Energy Best Limited (**EBL**), in VenturOil (itself a 20% interest holder in the Cadlao Joint Venture.
3. Through EBL the right to acquire a 5% interest in SC6 Cadlao from VenturOil.
4. An aggregate 80% interest in overriding royalty interests relating to 3.3% of production held by Peako Royalties Limited
5. A loan receivable from VenturOil for US\$736,188.

SC6 Cadlao – project history and overview

The SC6 Service Contract, located in the Palawan Basin, offshore the Philippines, was granted on 1 September 1973. The Cadlao Oil Field, which is located within the SC6 contract area, was discovered by Amoco in 1977. Between 1981 and 1991, 11.1 MMBBLs of oil was produced, based on sparse 2D seismic. The field was shut-in in 1991 in response to declining production, low oil price and escalating costs.

In 1996, 3D seismic data was acquired over the permit as part of a regional 'spec' 3D seismic survey. Interpretation of this seismic data identified additional 2P Reserves of 6MMBBL (Gaffney Cline & Associates estimate) up-dip from the Amoco wells.

Following the 3D survey, a 100% interest in the Cadlao permit acreage was secured by Blade Petroleum Philippines Ltd (BPPL) (now Cadco) from local interests in 2007 and 2008. BPPL assumed operatorship and acquired and remapped the 3D seismic recorded earlier to define up-dip structural potential for the field. BPPL subsequently transferred a 20% interest in SC6 Cadlao to VenturOil.

The proposed Cadlao oil project is a redevelopment project in shallow water (c.20m water depth). It is intended to be developed via drilling and production from a jack-up drilling rig with export of crude to a moored vessel.



Figure 1 SC6 Location Map

DEPTH STRUCTURE MAP OF TOP NIDO LIMESTONE

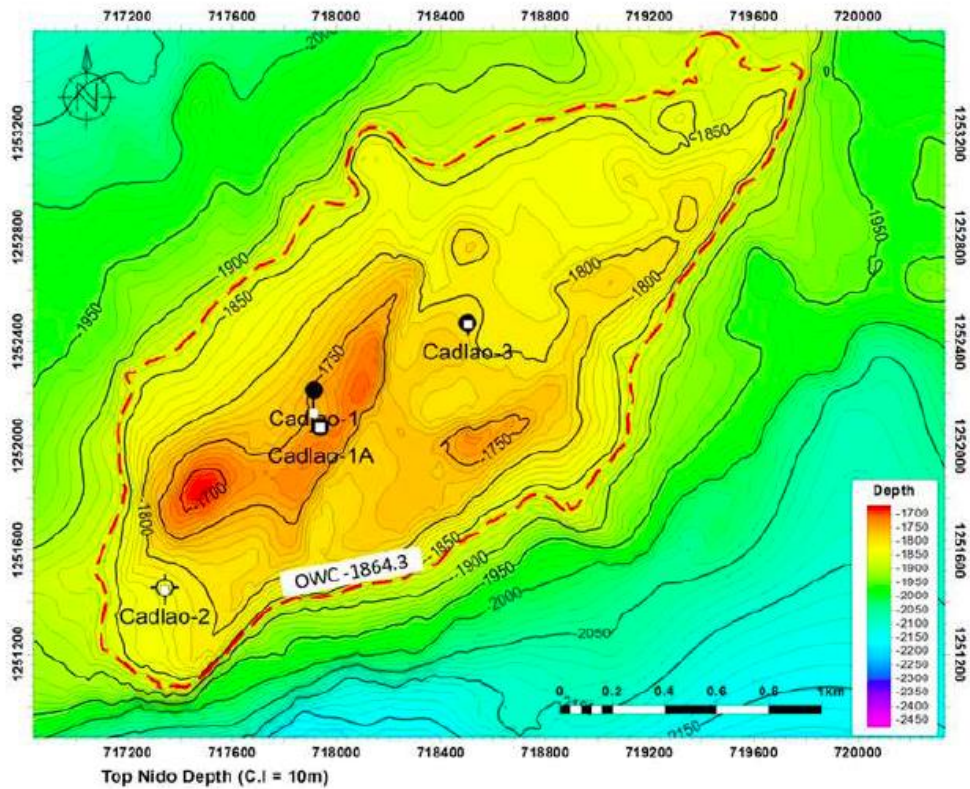


Figure 2 Cadlao Depth Map

Peak's Interests, Investments, Royalties and Involvements in SC6 Cadlao

In 2010, Peak entered a Farmin Agreement with Blade Petroleum Philippines Limited (then “BPPL” now “Cadco”), pursuant to which Peak would earn a 50% interest in SC6 Cadlao. An initial 25% was earned by satisfaction of certain conditions precedent and is held on trust for Peak by Cadco. The further 25% was to be earned upon Peak securing funding for the development. In 2012, Cadco sought to terminate the Farmin agreement for noncompliance by Peak with the funding obligation provisions of the Farmin agreement. Peak disputed the validity of the termination and litigation and arbitration proceedings ensued. Arbitration proceedings are currently in abeyance. This interest is subject to a “*Buy-back Right*” – see below.

Prior to 2012, Peak also acquired an aggregate 80% interest in aggregate 3.3% overriding royalty interests relating to production.

Peak, through a subsidiary, also acquired a prospective economic interest in SC6 Cadlao by acquiring a 40% shareholding in VenturOil through the acquisition of Energy Best Limited (EBL) from the vendor, Clove Capital Partners Limited (Clove). Peak's subsidiary, Peak Singapore, is obliged to pay further consideration of US\$2.8 million to Clove from the first two oil liftings.

A subsequent agreement was entered into between EBL and VenturOil relating to the funding of VenturOil's 20% interest. This involved a pre-condition requiring a variation allowing EBL's 40% shareholding in VenturOil to provide 75% dividend rights in lieu of 40% dividend rights in return for which EBL is required to fund VenturOil's 20% share of development costs of the Cadlao Project. VenturOil is obligated to reimburse these costs to Cadco following the “spudding” of the first development well.

EBL also has the right to acquire a 5% interest in SC6 Cadlao, from VenturOil, to be carved out of VenturOil's 20% interest on the basis that EBL pays pro rata the costs of acquisition of that 5% from Cadco as and when VenturOil has to pay Cadco for the acquisition of its 20% interest in SC6 Cadlao.

In addition, Peak and its subsidiaries have lent VenturOil US\$736,188 (A\$954,672) as shareholder loans. There is uncertainty regarding the practical ability of Peak to recover these funds.

In February 2015, VenturOil claimed to terminate unspecified agreements between VenturOil and Peak on the basis that Peak is in breach of non-binding “pre-funding obligations” in favour of VenturOil. Peak is of the firm opinion that neither it, nor any subsidiary of it, is in breach of any obligation under any binding agreement with either VenturOil or its related entity, Figurado Energy Investment Holdings, and that there are no grounds for termination of any binding agreement.

Cadco Buy-back Right

As a result of the termination of the farmin agreement with Blade Petroleum Philippines Limited (“BPPL”) (now Cadco), Peak has a right to receive buy-back funds of \$6.7million from Cadco. In May 2012, Cadco (then BPPL) gave notice to Peak of termination of the farmin agreement and in so doing, exercised the “*buy-back*” remedy under the farmin agreement. Pursuant to the farmin agreement, that remedy is for Cadco to pay the “*Buy-back Price*” (\$6.7 million) to Peak to buy back Peak's 25% working interest, held in trust by Cadco.

Peak has previously agreed terms for settlement of the Buyback Right with Cadco, with a final form of settlement agreement having been negotiated on a number of occasions, and in July 2014 a settlement agreement was executed. Cadco failed to make payment of the settlement amount under the settlement agreement. Peak accordingly recommenced arbitration action and is presently considering its options in relation to recovery actions in relation to the Cadco Buy-back Price.

SC6 Cadlao Project Status

Following the termination of the Peak farmin, in 2012 BPPL entered into funding agreements with Viking Energy Philippines Limited (Viking) at the corporate level with Viking joining Blade Petroleum Limited (Blade) as a shareholder in Cadco. BPPL then changed its name to Cadlao Development Company Limited (Cadco). Cadco assumed Operatorship of the Joint Venture and Viking assumed funding responsibility. Project funding from Viking has not eventuated and Peak understands that the ownership and control of Cadco is now subject to material dispute between Blade and Viking, neither in any way related to Peak. Given the multi-dispute nature of both the Cadco interest and the VenturOil interest, Peak is presently not receiving copies of Department of Energy communication relating to SC6 Cadlao.

Peak has appointed SyCip Salazar Hernandez & Gatmaitan as Filipino counsel to advise and assist in relation to the VenturOil interest.

Peak has commenced cooperative discussions with joint venture participants in an effort to resolve the multi-layered disputes in relation to SC6.

Minerals Exploration Interests – Western Australia

Peak has had applications afoot for a number of years over four Exploration Licences in the area of Sunday Creek and Mount Sears in the Rudall River area of the Paterson region of Western Australia. The Paterson region is well known for its uranium potential, hosting Australia's fifth largest uranium deposit at Kintyre. Uranium occurrences are known in both the Sunday Creek and Mount Sears prospects. Both prospects are polymetallic; also containing copper and lead.

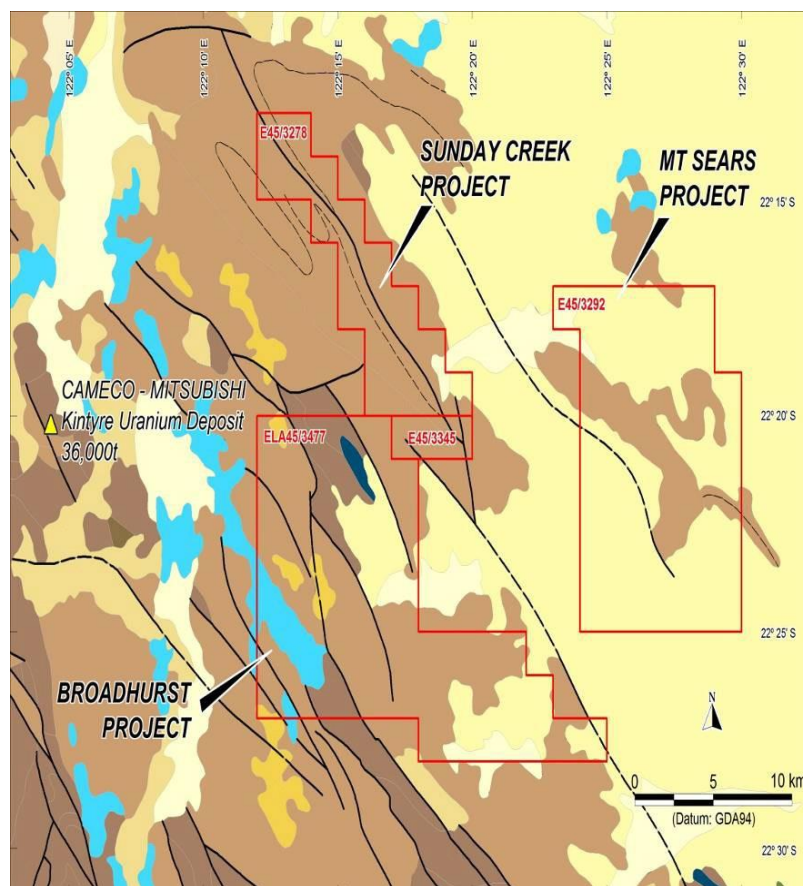


Figure 3 Peak's Minerals Exploration Interests

Peak's 100% interest in the applications is shown in Table 1.

Prospect name	Tenement No	Size (km ²)	Application date
Sunday Creek	ELA45/3278	60.80	30 July 2008
Sunday Creek	ELA45/3345	9.60	15 December 2008
Broadhurst	ELA45/3477	182.40	10 August 2009
Mt Sears	ELA45/3292	150.40	30 June 2008

Table 1 Minerals Exploration Interests

The Sunday Creek and Mount Sears areas were first explored between 1978 and 1981. Exploration activities at Sunday Creek included geochemical sampling, field mapping, airborne and ground magnetic and radiometric surveying, 6 percussion holes for a total of 489 metres and 11 diamond holes (704 m in total). All but one (drill hole BR 8) are located within the applications.

The Sunday Creek Prospect was identified as a radiometric anomaly, with subsequent rock chip samples containing up to 7% U, 1.12% Pb and 0.85% Cu. Other radiometric anomalies were also followed up with soil geochemical surveys, which produced low assay responses mainly due to sand cover. Several weak anomalies were identified. Rock chip samples along the contact produced elevated copper and uranium responses and several of these anomalies were drilled, returning several mineralized intersections.

Reconnaissance drilling was carried out on a very wide spacing of 4km (BR-5, 7, 9, 10) and the prospective contact of 20km strike length remains largely untested, with only four drill holes completed. In addition, drill holes were generally shallow and possibly positioned outside the main target zone.

The lack of high resolution data available at the time (1978-1981) resulted in extremely limited structural interpretation by previous explorers. Also, the geological knowledge and the prospective validity of the region for uranium mineralization have increased considerably since the finding of the Kintyre uranium deposit in 1985 by CRA Exploration Pty Ltd (now Rio Tinto) and now operated by Cameco Corporation.

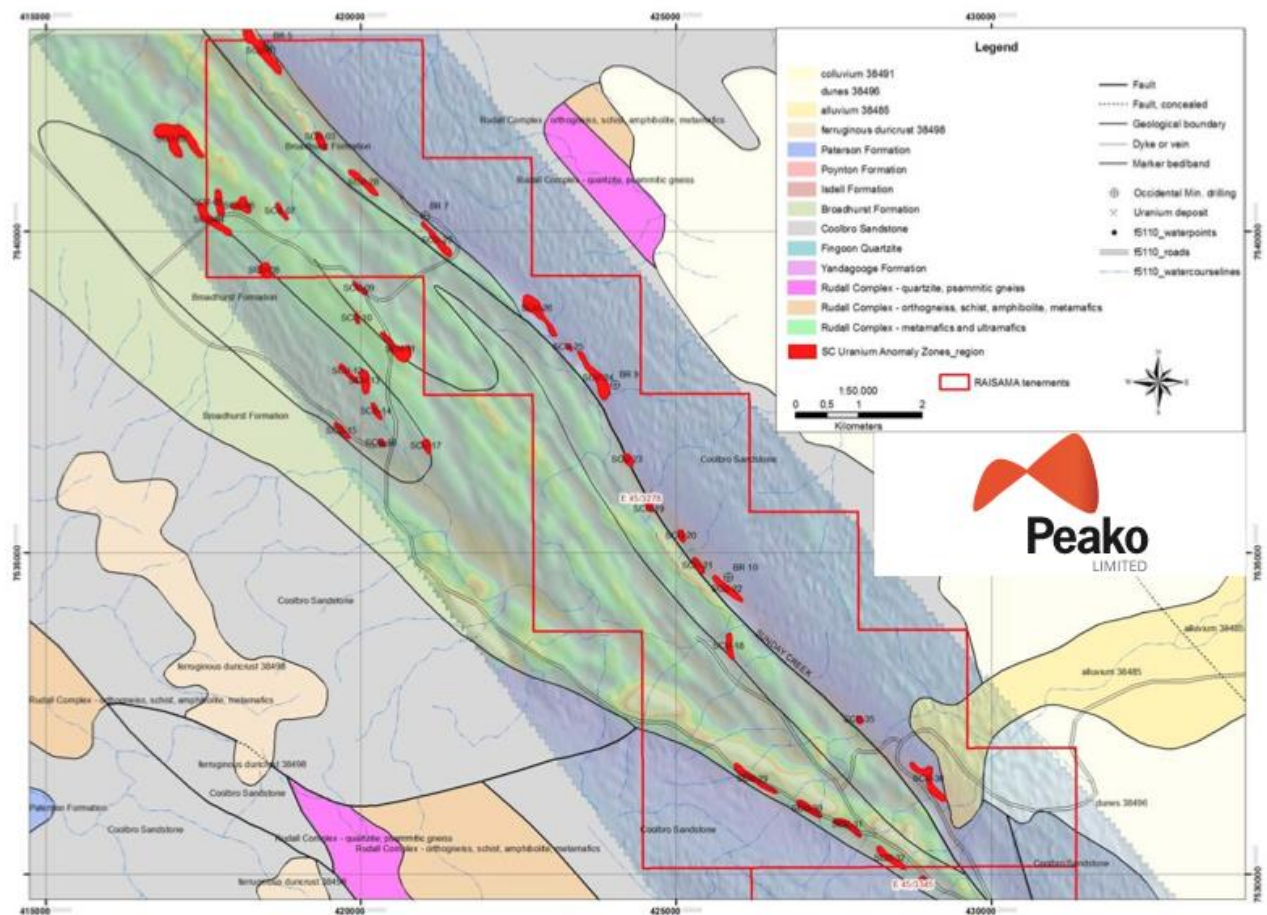


Figure 4 Sunday Creek Exploration Licence 45/3278 Application Area

E45/3278, is currently being assessed for expedited approval and the Company is engaged in the Native Title consultation process.

DIRECTORS

EG Albers LL.B, FAICD

Chairman

Mr Albers was appointed to the board of Peako on 4 February 2013. Mr Albers has over 35 years' experience as a director and administrator in corporate law, petroleum and resource sector investment. Mr Albers became involved in oil exploration in 1977 and has a track record of developing significant oil and gas assets.

Mr Albers manages a number of natural resources-based family investment companies.

Mr Albers has interests in a number of companies active in the petroleum industry in Australia and Malaysia.

Mr Albers is presently a director of ASX listed companies Octanex NL and Enege NL.

R L Clark, B.Bus (dist), CA, MAICD, AGIA, ACIS

Mrs Clark has more than fifteen years' experience focussed primarily on the natural resources sector. Her experience includes business development, financial modelling and analysis, capital raising and mergers and acquisitions, as well as managing joint venture partners, government, regulator and investor relations.

Mrs Clark has been Company Secretary of Peako since 4 February 2013 and was appointed to the Board on 4 December 2014. Mrs Clark is also a Director of Octanex NL and Enege NL.

A P Armitage FCA FAICD

Mr Armitage was appointed to the board of Peako on 18 August 2015. Mr Armitage began his professional career over 40 years ago with an international accounting firm. After qualification he was invited into partnership of a national firm. He set up his own practice in 1978, of which he remains principal.

Since the early 1980s he has been a director of a number of listed exploration companies in both Australia and New Zealand. He is currently a Non-Executive director of ASX listed Strategic Energy Resources Limited.

Section 5

RISKS INVOLVED IN INVESTING IN PEAKO

The risks described in this Section and elsewhere in this Rights Issue document are not necessarily exhaustive. Applicants should realise that any company with resource-based operations is subject to a wide range of risks, many of which may not be foreseeable.

Before deciding to invest in the Company, Applicants should read this document carefully, in its entirety and with particular emphasis on the risk factors detailed in this Rights Issue document. There are risks associated with holding Peako Shares and some of those risks are described in this Section. Investors should be aware that an investment in the Company involves many risks which may be far higher than the risks associated with an investment in other companies. Intending investors should refer to announcements made by the Company to ASX. This information is available from the ASX website (www.asx.com.au) where the Company's ASX code is PKO. The Company's website: www.peako.com.au.

Intending investors should review announcements made by the Company in order to fully appreciate such matters, and the manner in which the Company operates, before making a decision regarding the Rights Issue.

Investors should note that no guarantee or representation is, or can be, made with respect to the payment of dividends, returns of capital or the market value of the Shares offered for subscription.

The business operations of Peako are subject to risks which may impact adversely and severely on its future performance. These risks may adversely affect the value of any shares in Peako. The value of Shares in Peako and of its underlying assets will depend on factors beyond the immediate control of the Board. Shareholders face the risk that, while the Board will seek to achieve its stated aims, it may not be able to do so.

Apart from project specific risks relating to SC6 Cadlao and the various conflicts and disputes between the participants therein (including that the Cadlao joint venturers are in breach of the Cadlao Service Contract: being the permit under which they have exploration and development rights for the area covered by SC6 Cadlao), which risks are referred to throughout this Rights Issue document, a further primary risk that exists relating to Peako, and any investment in Peako shares, is sufficiency of funding.

At this stage Peako does not have sufficient funds to meet its ongoing funding obligations. If Peako receives not less than the Underwritten Amount, whether from Members taking up their Entitlements, or from NRG satisfying its underwriting obligation, Peako will have sufficient funds to meet its operating costs until 2017.

Apart from sufficiency of funding, Peako faces a wide range of other risks common to small undercapitalized companies operating in the natural resources sector. Those risks, and the risks associated with investment in Peako's Shares include:

Share price risks. Applicants should recognise that the prices of shares fall as well as rise. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. Applicants will be aware that in the last 18 month period in particular, there has been an unprecedented level of volatility on world stock markets and that no predictions can be made as to when and whether that period of volatility may end.

Investment risks generally. Holding Peako shares will be subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a comparatively small market capitalisation.

Exploration and development risks generally. The business of exploration and development of natural resources involves a significant degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. To prosper, Peako depends on factors that include successful exploration and the development of natural resources.

There is no assurance that expenditure to be made on future exploration and/ or development activities by Peako will result in discoveries of any natural resources that can be commercially or economically exploited since exploration is inherently a speculative endeavour. Even if an apparently viable resource is identified, there is no certainty that it can be economically exploited.

The general risks of exploration and development of natural resources include a wide range of geological and related risks. In relation to exploration and development of petroleum resources these include encountering unexpected geological formations or pressure, premature declines of reservoirs, blow-outs, invasion of water into producing formations, cratering, fires and spills causing pollution, and changes in drilling plans and locations following the results of exploratory wells and interpretation of new seismic data.

The costs of exploration and development of any natural resource, once discovered, can exceed planned expenditure due to these inherent uncertainties. Exploration and development operations can be hampered by force majeure circumstances and cost overruns for unforeseen events, including unexpected variations in geology and equipment malfunction. Losses resulting from any of these risks could have a material adverse effect on Peako's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the Shares. Project development and production contains risks by its very nature. To prosper, it depends on the design and construction of efficient production/processing facilities, competent operation and managerial performance and proficient marketing of the product.

Apart from being able to all legal and regulatory approvals necessary to commence operations, success in exploration and development of any natural resource is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable reserves;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (d) securing and maintaining title to interests;
- (e) obtaining regulatory consents and approvals necessary for the conduct of any such exploration, development and production activities;
- (f) securing plant and equipment; and
- (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

There can be no assurance that any exploration on current or future interests will result in the discovery of an economic resource of any kind. Drilling may not establish a sufficient level of resources which may be economically produced.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production and transmission facilities. Factors including costs and commodity prices affect successful project development and operations.

Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, well control issues, shortages or delays in the delivery of drill rigs or other equipment.

Specific Risks Associated with Operating in Philippines

Apart from specific risks relating to the SC6 Cadlao and the Cadlao Project generally, risks associated with operating in the Philippines are primarily as set out below. Generally, the financial performance of Peako and /or VenturOil may be influenced by the general political and peace and order situation in the country as well as the state of the Philippine economy, all of which are beyond Peako's control. Any actual incidence of, or a perception of political or economic instability may adversely affect Peako's business and financial performance. Members should understand that Peako and the parties involved in SC6 Cadlao are governed in the Philippines by a legal and regulatory system which, in some respects, may differ from that which prevails in other countries. Specific risks of operating in the Philippines include:

- (a) Laws, regulations, and contingencies adding to the cost and effort of doing business

The petroleum industry is highly regulated. In addition to complying with laws and regulations on doing business in the Philippines, the nature of the business carried out by Peako, VenturOil and Cadco subjects them to laws and regulations for the oil and gas industry, environment protection, and occupational health and safety. Despite efforts to comply with all such laws and regulations, each of their business activities may be exposed to significant liabilities and restrictions due to accidents and unforeseen circumstances, which may specifically impact on Peako.

Furthermore, such laws and regulations are subject to changes, which may result in delays or restrictions on exploration, development or production activities as well as increased cost of compliance. There is no assurance that these changes will not have a material adverse direct or indirect effect on Peako's business and results of operations.

(b) Economic risk factors

Peako's business prospects and performance will be affected by factors such as inflation, interest rates, foreign exchange rates, taxation, changes in legislation, and other economic factors that are beyond the Peako's control. A slowdown in economic growth in the Philippines could materially and adversely affect Peako and its business.

(c) Political risk factors

Peako's operations and financial performance may be affected by the political and social stability of the Philippines. Any incidence or a perception of political and/or social instability could have a negative effect on Peako's financial results and operations and those of Cadco and VenturOil.

(d) Risks related to terrorist and insurgent groups' activities in the Philippines

There is continuing concern over the proliferation of terrorist groups throughout the Philippines, which may present a potential security threat to regions relevant to the Company's exploration and production interests. Any potential terrorist attack or compromise of security could have an adverse effect on the Philippine economy, Peako's business and that of each of VenturOil and Cadco and have a direct or indirect adverse effect on Peako's operations and financial position.

(e) Risks related to activities of environmentalist groups

Although not regarded as being as prevalent or as much of an issue as in the mining industry, there are still concerns on potential interference by organized civil groups with operations of oil and gas companies. Methods may vary from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including the destruction of equipment and infliction of bodily harm.

(f) Risks related to the occurrence of natural catastrophes or blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy

(g) Risks related to foreign exchange controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions ;or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency- denominated borrowings.

(h) Compliance with laws and regulations, failing which the Company may lose its contracts, licenses, and approvals from the Government

Cadlao Project operations may be restricted, suspended or terminated if the contractual obligations under SC6 Cadlao, and the rules and regulations governing SC6 Cadlao are not complied with, In this respect the Contractor under SC6 Cadlao is not presently compliant with the work program requirements of SC6 Cadlao and some risk must exist that SC6 Cadlao could be cancelled as previously referred to.

If SC6 Cadlao is cancelled by the DOE, a further consequence for Peako would be that the indirect interest in the Cadlao Project which it holds through the shareholding in VenturOil would also cease to exist with Peako's shareholding in VenturOil becoming substantially worthless.

These are not matters within Peako's control. It is not possible to determine whether the DOE will or will not take action at any time in the future to terminate SC6 Cadlao.

Whilst SC6 Cadlao has been formally extended to 2024, the Philippines government has noted that a failure of the joint venture parties to fulfil their work program obligations may result in a withdrawal of that extension and cancellation of the permit. At this stage the participants in SC6 Cadlao are in breach of the terms of grant thereof. Unless the multi-layered disputes and conflicts affecting SC6 Cadlao are resolved, the prospect of the Cadlao Project being completed is minimal.

Environmental regulations and bonds Peako's operations are subject to the environmental risks inherent in the natural resources industry. Peako will be subject to environmental laws and regulations in connection with its operations. Although Peako will strive to comply in all material respects with all applicable environmental laws and regulations, there are certain risks inherent in its activities that could subject Peako to extensive liability. There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige Peako to incur significant expense and undertake significant investment and which could have a material adverse effect on Peako's business, financial conditions and results of operations.

Relevant government departments from time to time review the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of Peako.

Commodity price and exchange rate fluctuations The US currency denominated revenue derived through the sale of oil and minerals exposes the potential income of Peako to commodity price and exchange rate risks. Commodity prices are currently low and are affected by numerous factors beyond the control of Peako. These factors include worldwide supply and demand for natural resources, forward selling by producers and production costs in major natural resource regions. Moreover, natural resource commodity prices are also affected by macroeconomic factors such as expectations regarding inflation and interest rates.

These matters affect market perceptions and investor sentiment to investing in companies involved in exploration and development of natural resources.

Exposure to liabilities associated with past activities in respect of acquired assets Peako has various agreements to earn interests in permits that have had previous exploration and development activities undertaken upon them. In these agreements Peako has generally received warranties and undertakings in relation to liabilities (known and unknown) that exist/may exist in relation to the past activities by the current and previous owners. Notwithstanding these warranties and undertakings Peako cannot guarantee that no liabilities will arise in the future from the past activities of the current and previous owners, not that Peako is adequately protected, nor that the contractual protections will respond to a particular circumstances either at all or to the full extent of a liability.

Resource estimates may be inaccurate Resource and reserves estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserves estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development plans which may, in turn, adversely affect Peako's operations.

In particular, Reserves within the Cadlao oilfield were calculated by Gaffney Cline at a time when oil prices were much higher than at present. No re-assessment of the data on which Gaffney Cline calculated reserves has been carried out and with the collapse of the oil price over the approximate last 12 months a possible consequence is that the "Reserves" determined by Gaffney Cline to exist may not be economically recoverable at current oil prices and thus have ceased to be "Reserves". Limited studies have been carried out by Peako to determine at what oil price the field might be producible. Further, while the oil price is relevant to whether any resource can be economically recovered, equally important are the capital and operating costs associated with any development program. Insofar as known to Peako, no further development plan for SC6 Cadlao other than that lodged with the DOE has been developed subsequent to the recent collapse in oil prices.

As a result of all of the foregoing, even if all disputes relating to SC6 Cadlao are satisfactorily resolved, the Company's interests therein may be of minimal value because further studies may show that the Cadlao Project is sub-economic in the current circumstances.

The Company may not be able to secure additional capital when required The Company's capital requirements depend on numerous factors.

Peako will need to raise additional capital to maintain its activities and meet operating costs, including corporate and administrative costs on an ongoing basis. Any requirement to raise additional capital has two consequences for Applicants. First, it will result in their shareholding in Peako being diluted if they do not also take up any future entitlements they may have (assuming future share issues are pro rata). Secondly, if additional capital is not Peako's operations will not be able to be funded and this will result in a decrease in value of Peako shares unless other value enhancing corporate actions occur. The total amount of any capital that may be required to be raised in the future is not presently able to be ascertained.

Reliance on key personnel. The responsibility of overseeing the day-to-day operations and the strategic management of Peako depends substantially on its senior management and its key personnel and their experience and expertise. There can be no assurance given that there will be no detrimental impact on Peako if one or more of these persons cease their employment with Peako.

Fiscal risks. These risks involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

Contract risks. Peako operates through a series of contractual relationships with operators, technical experts, project managers and contractors generally. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed.

Litigation. Save for the litigation against Cadco as disclosed herein and disputes with VenturOil as disclosed herein, Peako is presently not involved in litigation and the Directors are not aware of any basis on which any litigation against Peako may arise. However, there is the prospect of litigation between other participants in SC6 Cadlao which may arise from the present disputes between them and the existence and outcomes from those disputes and possible litigation may adversely affect Peako and its interests.

Arbitration. Peako is currently engaged in a formal arbitration process with Cadco to resolve the dispute which has arisen over Cadco's purported early termination of the Cadlao Farmin Agreement relating to the Cadlao Redevelopment Project. The parties mutually agreed to suspend the arbitration to enable a commercial settlement to be negotiated. The settlement was agreed but did not proceed to completion and the arbitration remains in abeyance while Peako decides on its most appropriate course of action in relation thereto.

Section 6 GENERAL MATTERS

This Section sets out information relating to a variety of matters which are relevant to your decision to take up your Rights. They include detailed information relating to the rights attaching Shares in the Company.

1. RIGHTS AND LIABILITIES ATTACHING TO SHARES IN THE COMPANY

The Peako Shares to be issued and allotted under this Rights Issue will be ordinary shares each of which will be fully paid-up. All ordinary shares on issue rank equally with all other ordinary shares on issue from time to time. A summary of the more significant rights attaching to ordinary shares is set out below. This summary is not exhaustive, nor does it constitute a definite statement of the rights and liabilities of the Shareholders. To obtain such a statement, Applicants should seek independent legal advice.

Ranking: All shares in the capital of the company are ordinary shares and each ordinary share ranks equally in all respects with all other existing ordinary shares in the Company.

Reports and Notices: Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to Shareholders under the constitution of the Company ("the Constitution") and the Act.

General Meetings: Shareholders are entitled to be present in person or by proxy, attorney or representative to Peako and to vote at general meetings of the Company. Shareholders may requisition general meetings in accordance with the Act and the Constitution.

Voting: At a general meeting of the Company, every Shareholder present in person or by proxy, attorney or representative shall on a show of hands have one vote and upon a poll every Shareholder present in person or by proxy, attorney or representative has one vote for every share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one Shareholder then on a show of hands that person shall have only one vote and not one vote for each person represented by him.

A Shareholder who holds a share that is not fully paid shall be entitled to a fraction of a vote equal to the proportion that the amount paid-up bears to the total issue price of the share. The Company does not have any partly paid shares on issue.

Where the Shareholder is a company, the Constitution requires that directors of companies that have a sole director and a sole company secretary must state this when completing documents such as a proxy, appointment of corporate representative or power of attorney.

Dividends: The Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to Shareholders according to their rights and interests.

Reduction of Capital: The Company may only reduce its capital in such manner as may be permitted by the provisions of the Act from time to time.

Borrowing and Lending Powers: The Company may borrow and lend in such manner as may be permitted by the provisions of the Act from time to time.

Winding Up: Shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them respectively, less any amount which remains unpaid on their shares at the time of distribution.

Transfer of Shares: Subject to the Constitution, the Listing Rules of ASX and the Act, the shares will be freely transferable.

Future Increases in Capital: The allotment and issue of shares is under the control of the Directors. Subject to restrictions on the allotment of shares to Directors or their Associates contained in the Constitution and the Act, and subject to the provisions of the Underwriting Agreement in relation to issues of securities in the six month period from the completion of this Rights Issue, the Directors may allot or otherwise dispose of shares on such terms and conditions as they see fit.

Variation of Rights: The rights, privileges and restrictions attaching to ordinary shares can be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three-quarters majority of those holders who, being entitled to do so, vote at that meeting or with the written consent of the holders of at least three-quarters of the ordinary shares on issue, within two months of that general meeting.

Directors: The Constitution contains provisions relating to the rotation of Directors (other than managing directors and alternate directors).

2. UNDERWRITING AGREEMENT

By an Underwriting Agreement made 15 March 2016 between the Company and NRG, NRG has underwritten the Rights Issue for amount of \$340,127 being the Underwritten Amount for an underwriting commission of 7.5% of the Underwritten Amount.

NRG has expressly reserved the right to appoint sub-underwriters in relation to the whole or any part of the Underwritten Amount.

The primary provisions of the Underwriting Agreement are set out below. The provisions of the Underwriting Agreement do not contain many of the provisions common in many current enabling underwriters to avoid their underwriting obligation such as those related to changes in indices and changes in commodity prices. Additionally, the Underwriting Agreement does not require the payment of a "management fee" or the issue or grant of options to the underwriter.

The provisions under which NRG may avoid its underwriting obligation are narrowly focussed on Peako's Shares continuing to be listed for quotation on the Official List of ASX, Peako's continued capacity to carry on business and the Rights Issue not being stopped.

Under the Underwriting Agreement the Company warrants that it is compliant with the requirements of the Act and that it is entitled to make the Rights Issue by way of a pro rata "Rights Issue" (as defined in section 9A of the Act) on a one for one basis under section 708AA of the Act without a prospectus as a low documentation offer not required to be lodged with the Australian Securities & Investments Commission ("**ASIC**") and that it is now, and will, at the time of despatch of the Rights Issue documentation, be compliant with the requirements of section 708AA(2) of the Act.

NRG may terminate the underwriting and withdraw from its obligations thereunder on the occurrence any of the following events up to or on the Subscription Date, as defined below, namely, if:

- (a) ASIC makes any order or interim order under section 739 of the Corporations Act 2001 (to stop the issue of securities to which the Rights Issue relates) and such stop order is not withdrawn before the Subscription Date.
- (b) ASX suspends trading in Peako's securities or gives notice of any intention to do so for any reason whatsoever including that, in ASX's opinion, Peako has failed to comply with the requirements of ASX Listing Rules.
- (c) Any person (other than the Underwriter) who consented to being named in, or to the issue of, the Rights Issue documentation, withdraws that consent.
- (d) Peako;
 - (i) suspends payment of its debts generally;
 - (ii) becomes an externally-administered body corporate, or steps are taken by any person towards making it an externally-administered body corporate;
 - (iii) has a controller (as defined in section 9 of the Corporations Act 2001) appointed of any of its property, or steps are taken for the appointment of such a person; or
 - (iv) is taken to have failed to comply with a statutory demand within the meaning of section 459F of the Corporations Act 2001
 - (v) is, or becomes, in breach of the provisions hereof.

- (e) For whatever reason Mr Albers and his Associates, including the Underwriter or any sub-underwriter appointed, cease to have or are threatened with withdrawal or loss of the protection of Item 10 in the table contained in section 611 of the Corporations Act 2001.

Within not less than five (5) business days after the Closing Date of the Rights Issue Peakco must notify NRG of its presumptive obligation under the Underwriting and of the amount of any shortfall between the total amount raised pursuant to the Rights Issue and the Underwritten Amount ("the Shortfall") and within ten (10) business days after close of business on the date of such notification to the Underwriter, but subject to NRG not having the right to terminate this Underwriting Agreement, whether or not it has been so terminated, NRG shall lodge, or procure to be lodged with Peakco, valid applications for the amount of the Shortfall with such applications being accompanied by the applicable subscription moneys the subject of each such application. The date on which NRG lodges such applications is the "Subscription Date".

Under the Underwriting Agreement Peakco must pay:

- (a) all of the Underwriters costs and expenses in relation to the Underwriting Agreement and in relation to any act matter or thing done by NRG hereunder in the event of any breach hereof by Peakco or arising out of the termination thereof by the Underwriter;
- (b) all of the costs, charges and expenses relating to the Rights Issue including, without limitation all preparation costs, ASX Listing fees, share registry fees, legal fees, experts' fees, advertising and publicity fees, printing costs and mailing costs.

No waiver or delay or granting of time or other indulgence by or on behalf of any Party entitled to enforce any obligation under the Underwriting Agreement shall prejudice or affect the right of that Party thereafter to enforce that obligation or to pursue any remedy which would but for such waiver, delay or granting of time or other indulgence have been available to it.

The Underwriting Agreement shall be governed by and construed in accordance with the laws of the State of Victoria and the Commonwealth of Australia.

Section 7

DEFINITIONS AND GLOSSARY

DEFINITIONS

Unless otherwise stated or unless inconsistent or repugnant with the context in which the term or expression is used, each of the following terms and expressions used in this Rights Issue document has the meaning set out below:

\$ or A\$:	means references to dollar amounts in Australian currency.
US\$:	means references to dollar amounts in United States of America currency.
2P:	means Proved Reserves plus Probable Reserves.
Act or Corporations Act:	each means the <i>Corporations Act 2001</i> .
Albers Shareholders	means each of Mr E G Albers and each of his Associates under the Act who have a relevant interest in Shares under the Act
Albers Shareholdings	means the 335,505,259 Shares in which the Albers Shareholders or any of them have a relevant interest under the Act.
Allotment Date:	means the date on which new Shares are allotted under this Rights Issue document.
Annual Report:	means the Annual Report of Peak Oil & Gas Limited (now named Peakco Limited) for the financial period ended 30 June 2015.
Applicants:	means those Eligible Members as at the Record Date applying for new Shares under this Rights Issue.
Application:	means a completed Entitlement and Acceptance Form.
Application Moneys:	means the amount payable for new Shares applied for under an Entitlement and Acceptance Form.
ASIC:	means The Australian Securities and Investments Commission.
Associate:	has the meaning given to that term in the Act.
ASX:	means ASX Limited.
(AEDT)	means Australian Eastern Daylight Time
Board or Directors:	means the board of directors of Peakco acting in that capacity.
Business Day:	means those days which are Business Days under the Listing Rules.
Closing Date:	means 5:00pm (AEDT) on Wednesday 27 April 2016 subject to the Directors absolute right to extend that date.
Company or Peakco:	means Peakco Limited (ABN 79 131 843 868).
Director:	means a director of the Company acting in that capacity.
Entitlement and Acceptance Form	means the form accompanying this Rights Issue document setting out Shareholders entitlements to apply for new Shares under this Rights Issue.
Eligible Member	means a Members who: <ul style="list-style-type: none"> (a) is registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on the Record Date (Tuesday 22 March 2016); (b) has a registered address on the Peakco Share Register in Australia or New Zealand or is otherwise eligible under all applicable securities laws to receive an offer to subscribe for new Shares under the Offer. In this context “<i>applicable securities laws</i>” includes the securities laws of the jurisdiction in which the Member (representing that the Member is an Eligible Member) is resident; and (c) is not in the United States and is not acting for the account or benefit of a person in the United States; or <ul style="list-style-type: none"> (e) whom Peakco determines to be an Eligible Member.
Entitlements	means a Member’s pro rata entitlement or right to take up new Shares under the Rights Issue in accordance with the terms and conditions hereof.
Exploration Licence or EL:	means a licence to explore for minerals within a defined geographical area granted, in this instance, by the state of Western Australia.
ELA:	means an application for an EL.
Group:	when referring to any corporate entity means that entity and its controlled or subsidiary entities.
Ineligible Shareholder:	means a Member who is not an Eligible Member;
Issue Price:	means the subscription price for a new Share to be issued under the Offers being \$0.001 (1/10 th of a cent) per new Share to be so issued.
Listing Rules:	means the Listing Rules of any prescribed exchange and as applicable means the Listing Rules of ASX as referred to in each context.
Member:	means a person registered as a Shareholder in the Register as at 7.00pm (AEDT) on Tuesday, 22 March 2016, being the Record Date.
MMBBL:	means millions of barrels.

Nominee:	means Holdex Nominees Pty Ltd (ACN 004 816 200) (a wholly owned subsidiary of Baillieu Holst Limited) as approved by ASIC as the nominee for the purposes of section 615 of the Act.
Offer:	means the offer for subscription of 680,253,247 new Shares pursuant to this Rights Issue document on the terms set out in this Rights Issue document.
Official Quotation:	means quotation by ASX on the Official List of Companies maintained by ASX.
Opening Date:	means 9:00am AEDT Tuesday, 29 March 2016.
Overseas Member:	means a Member whose address in the Register is outside of Australia and New Zealand.
Petroleum:	a generic name for hydrocarbons, including crude oil, condensate, natural gas and their products.
Probable Reserves:	are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Proved Reserves:	Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
Record Date:	means 7.00 pm AEDT on Tuesday, 22 March 2016.
Register:	means the Register of Members maintained by the Company in accordance with the provisions of the Act.
Reserves:	reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
Reservoir:	pervious and porous rocks (usually sandstone, limestone or dolomite) capable of containing significant quantities of hydrocarbons.
Rights:	has the same meaning as Entitlements. Under this Rights Issue, because it is non-renounceable, Rights are unable to be traded.
Rights Issue:	means the non-renounceable pro rata offer of new Shares being made to Shareholders under this Rights Issue document.
Rights Issue document:	means this Rights Issue document.
SC6 Cadlao:	means the Service Contract granted on 1 September 1973 by the Petroleum Board of the government of the Philippines in relation to the area known as Cadlao which contains the Cadlao oilfield.
seismic:	a technique for determining the detailed structure of the rocks underlying a particular area by passing acoustic shock waves into the strata and detecting and measuring the reflected signals.
Service Contract:	means a form of licence granted by the Petroleum Board of the government of the Philippines permitting the grantees thereof to explore for petroleum within a defined area.
Shareholders:	means persons registered as the holders of Shares on the Record Date.
Shares:	means the ordinary shares in the capital of the Company and, where applicable the ordinary shares being offered for subscription pursuant to this Rights Issue
Shortfall Shares:	means those Shares not subscribed for by Members taking up their respective Entitlements under the Rights Issue.
Shortfall:	means the aggregate number of Shortfall Shares.
Stock Exchange:	means any stock exchange on which the securities of the Company may be quoted from time to time.
Underwriting Agreement	means an underwriting agreement entered into between Peakco and NRG on 15 March 2016 which is summarised in Section 6.
Underwritten Amount:	means an amount of \$340,127 being the subscription moneys for 340,127,000 new Shares.
Underwriter or NRG:	means Natural Resources Group Pty Ltd (ABN 46 004 650 597).