



11<sup>th</sup> August 2014

The Manager  
Company Announcements Office  
Australian Securities Exchange  
PO Box H224 Australia Square  
SYDNEY NSW 2000

Dear Sir/Madam,

**ANTILLES OIL AND GAS NL (ASX: AVD)**

**PROSPECTUS**

The Company is pleased to advise that it has lodged a prospectus today with ASIC inviting investors to apply for up to 25,000,000 Shares (on a post Consolidation basis), with oversubscriptions of a further 15,000,000 Shares (on a post Consolidation basis) at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs) pursuant to approval of the First Placement obtained at the June General Meeting and on the condition that Shareholder approval is obtained for the Second Placement at the August General Meeting and the associated consolidation of capital.

Please find attached a copy of the Prospectus as lodged with ASIC.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Ranko Matic', is positioned above the printed name.

Ranko Matic  
Non-Executive Director  
Company Secretary

# **ANTILLES OIL AND GAS NL**

## **ACN 111 823 762**

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### **PROSPECTUS**

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For the offer of up to 25,000,000 Shares, with oversubscriptions of up to 15,000,000 Shares, (on a post Consolidation basis) at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs) (**Offer**).

The Offer is not underwritten.

**The Offer is conditional on approval by Shareholders at the August Meeting.**

**All references to securities in this Offer are on a post Consolidation basis.**

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

**The Shares offered by this Prospectus should be considered as speculative.**

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## TABLE OF CONTENTS

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|    |  |    |
|----|--|----|
| 1. | SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES ..... | 1  |
| 2. | CORPORATE DIRECTORY .....                            | 3  |
| 3. | DETAILS OF THE OFFER.....                            | 4  |
| 4. | PURPOSE AND EFFECT OF THE OFFER.....                 | 8  |
| 5. | RIGHTS AND LIABILITIES ATTACHING TO SHARES .....     | 12 |
| 6. | RISK FACTORS .....                                   | 14 |
| 7. | ADDITIONAL INFORMATION .....                         | 19 |
| 8. | DIRECTORS' AUTHORISATION .....                       | 25 |
| 9. | DEFINITIONS .....                                    | 26 |

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## **1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES**

### **TIMETABLE AND IMPORTANT DATES**

|   |                  |
|---|------------------|
| Lodgement of Prospectus with the ASIC and ASX     | 11 August 2014   |
| Opening Date                                      | 11 August 2014   |
| Closing Date*                                     | 25 August 2014   |
| Expected date of Official Quotation of the Shares | 1 September 2014 |

\*The Company reserves the right to extend the Closing Date or close the Offer early without notice.

### **IMPORTANT NOTES**

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 11 August 2014 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **ELECTRONIC PROSPECTUS**

A copy of this Prospectus can be downloaded from the website of the Company at [www.antillesoilandgas.com.au](http://www.antillesoilandgas.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the

complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

## **RISK FACTORS**

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 6 of this Prospectus.

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## 2. CORPORATE DIRECTORY

### Directors

Dr Jack Hamilton  
*Non-Executive Chairman*

Mr David Ormerod  
*Managing Director*

Mr Damian Black  
*Non-Executive Director*

Mr Ranko Matic  
*Non-Executive Director*

### Proposed Director

Mr Gary Grubitz  
*Non-Executive Director*

### Company Secretary

Mr Ranko Matic

### Registered Office

Level 1, 12 Kings Park Road  
West Perth WA 6005

Telephone: (08) 9226 4500  
Facsimile: (08) 9226 4300

### Principal Place of Business

HWT Tower Office 2316  
Level 23, 40 City Road  
Southbank VIC 3006

Telephone: (03) 9674 0413  
Facsimile: (03) 9674 0400

### General Enquiries:

Telephone: (08) 9226 4500  
Facsimile: (08) 9226 4300  
Website: [www.antillesoilandgas.com.au](http://www.antillesoilandgas.com.au)

### Auditor\*

Somes Cooke  
Level 2, 35 Outram Street  
West Perth WA 6005

### Share Registry\*

Automatic Registry Services  
Level 1, 7 Ventnor Avenue  
West Perth WA 6005

Telephone: 1300 288 664

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Lead Manager/Broker

CPS Capital Group Pty Ltd  
Level 45, 108 St George's Terrace  
PERTH WA 6000

\* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

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### **3. DETAILS OF THE OFFER**

#### **3.1 Background and Conditionality of Offer**

On 11 June 2014 (**June Meeting**), Shareholders of the Company approved a placement to raise up to \$3,000,000 (**First Placement**) to be used towards seismic and/or drilling costs on the Mother Lode III project, costs associated with new opportunities, expenses and working capital.

On 11 July 2014, the Company announced its intention to hold a general meeting on 12 August 2014 (**August Meeting**) to provide for, amongst other things, an 80:1 consolidation of capital (**Consolidation**) and placement of up to 25,000,000 Shares to raise a further \$5,000,000 (**Second Placement**) to further strengthen the Company's balance sheet to allow it to pursue new opportunities that may only be available to the Company if it has sufficient cash available to satisfy counterparties that it is able to meet its future work commitments.

By this Prospectus, the Company invites investors to apply for up to 25,000,000 Shares (on a post Consolidation basis), with oversubscriptions of a further 15,000,000 Shares (on a post Consolidation basis) at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs) pursuant to approval of the First Placement obtained at the June Meeting and on the condition that Shareholder approval is obtained for the Second Placement at the August Meeting.

The Offer is also conditional on approval of the Consolidation.

If approvals for the Consolidation and Second Placement are not obtained, the Company will seek to raise up to \$3,000,000 pursuant to the approval obtained under the First Placement. Refer to Section 4.1 for further details on how the funds will be allocated in these circumstances.

#### **3.2 Offer**

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

Please refer to Section 5 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares offered pursuant to this Prospectus.

#### **3.3 Objectives**

The Company is seeking to raise up to \$8,000,000 under this Prospectus in order to fund due diligence on new oil and gas assets, work programs in The Mother Load III Project in the United States, expenses of the Offer and working capital. Details of the proposed use of funds are set out in Section 4.1 of this Prospectus.

#### **3.4 Minimum Subscription**

The minimum subscription to be raised pursuant to this Prospectus is \$3,000,000. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Shares will be issued to any of the Applicants, all application monies will be returned and all applications will otherwise be dealt with in accordance with the Corporations Act.

#### **3.5 Application for Shares**

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms must be mailed or delivered to:

*By Post or Hand*

Level 1, 12 Kings Park Road  
West Perth WA 6005

Payment for the Shares can be made by cheque by completing the Application Form and accompanying cheque and posting it to the address outlined above.

Cheques should be made payable to “**Antilles Oil and Gas NL**” and crossed “**Not Negotiable**”. Completed Application Forms must reach the address set out above by no later than the Closing Date.

### **3.6 Underwriter**

The Offer is not underwritten.

### **3.7 Lead Manager/Broker**

CPS Capital Group Pty Ltd (**CPS Capital**) has been appointed as Lead Manager and Broker to the Offer. The terms of the appointment of the CPS Capital are summarised in Section 7.2 of this Prospectus.

### **3.8 Issue**

Subject to the minimum subscription to the Offer being reached, issue of Shares offered by this Prospectus will take place on a progressive basis during the period of the Offer and for any Applications received and accepted on the Closing Date, as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

### **3.9 Australian Securities Exchange Listing**

The Company will apply to ASX for Official Quotation of the Shares offered under this Prospectus within seven (7) days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus within 3 months after the date of this Prospectus (or such period as varied by the ASIC), all applications will be dealt with in accordance with the Corporations Act and applicants will be entitled to a refund of their application money, in accordance with section 724(2) of the Corporations Act.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.



### **3.10 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

### **3.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing Share certificates. The Company is a participant in CHESS for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **3.12 Commissions payable**

The Company reserves the right to pay commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from licensed securities dealer or Australian financial services licensee.

### **3.13 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of Shares, facilitate distribution payments and

corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

### **3.14 Enquiries**

Any questions concerning the Offer should be directed to the Company Secretary, Mr Ranko Matic, on (08) 9226 4500.

## 4. PURPOSE AND EFFECT OF THE OFFER

### 4.1 Purpose of the Offer

Funds raised from this Prospectus are intended to be used in the manner set out in the table below:

| Proceeds of the Offer <sup>1</sup>  | \$3,000,000        | %           | \$5,000,000        | %           | \$8,000,000        | %           |
|---|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| Conducting due diligence on new oil and gas assets primarily located in the Caribbean / Northern South American area, together with any acquisition costs or work program requirements relating to any such assets <sup>2</sup> | \$1,375,000        | 46%         | \$2,875,000        | 57.5%       | \$5,375,000        | 67%         |
| Work programs on the Company's 50% working interest in The Mother Load III Project in the United States (which may include a technical review, further acreage acquisition, seismic and/or further drilling)                    | \$1,375,000        | 46%         | \$1,625,000        | 32.5%       | \$1,875,000        | 23%         |
| Expenses of the Offer   | \$222,979          | 7%          | \$345,788          | 7%          | \$530,000          | 7%          |
| Working capital   | \$27,021           | 1%          | \$154,212          | 3%          | \$220,000          | 3%          |
| <b>Total</b>  | <b>\$3,000,000</b> | <b>100%</b> | <b>\$5,000,000</b> | <b>100%</b> | <b>\$8,000,000</b> | <b>100%</b> |

#### Notes:

1. The above table is a statement of current intentions. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.
2. The Company is currently assessing opportunities that would involve participating in bid rounds for new licences. In order to participate in these bid rounds, the Company needs to have a balance sheet that demonstrates its ability to meet work commitments on new licences that may be issued. In addition, the Company may be required to pay signature bonuses or exclusivity payments to secure the rights to apply for new licences. Some of these funds may be applied towards these activities.
3. The expenses of the Offer assume all funds raised under the Offer are raised through CPS Capital. For those funds raised other than through CPS Capital there will be no placement fee payable. Any resulting decrease in the expenses of the Offer will result in a corresponding increase to the amount allocation to working capital.

In the event the Company raises more than the minimum subscription of \$3,000,000, the additional funds raised will be first applied towards expenses of the Offer and then on a pro-rata basis amongst the remaining categories.

### 4.2 Effect of Offer on capital structure

The principle effect of the Offer on the capital structure of the Company, assuming no existing Options are exercised and assuming the Offer is fully subscribed, is set out below.

## Shares

|   | Number            |
|---|-------------------|
| Shares currently on issue (pre-consolidation)                   | 1,028,997,342     |
| <b>Post-Consolidation</b>                                       |                   |
| Post 80:1 Consolidation   | 12,862,467        |
| Shares offered pursuant to the Offer                            | 40,000,000        |
| <b>Total Shares on issue after the Closing Date<sup>1</sup></b> | <b>52,862,467</b> |

## Options

|   | Number           |
|---|------------------|
| Options currently on issue (pre-consolidation) exercisable at \$0.006 by 31 March 2015 <sup>2</sup> | 163,291,495      |
| <b>Post-Consolidation</b>   |                  |
| Post 80:1 Consolidation   | 2,041,144        |
| Options offered under this Offer  | Nil              |
| <b>Total Options on issue after the Closing Date<sup>1</sup></b>                                    | <b>2,041,144</b> |

### Notes

1. Assumes Second Placement is approved at the August Meeting.
2. The effect on the exercise price of the Unlisted Options post Consolidation is set out in the table below.

| Terms  | Number    |
|--|-----------|
| Options exercisable at \$0.48 by 31 March 2015 | 2,041,144 |

## Partly Paid Shares

|   | Number     |
|---|------------|
| Partly Paid Shares to be issued to David Ormerod and Damian Black subject to Shareholder approval at the August Meeting | 12,000,000 |

### Notes:

1. Each partly paid share is issued at a price of \$0.20 of which 1 cent is paid on issue with the balance of the issue price payable at the discretion of the holder at any time subject to certain conditions. Details of the terms are set out in the notice of meeting distributed in relation to the August Meeting.
2. Mr Jack Hamilton has entered into an employment agreement with the Company which provides that Mr Hamilton will be issued, subject to Shareholder approval, 3,000,000 partly paid shares on the same terms as the Partly Paid Shares already on issue in this class.

## Performance Rights

|   | Number     |
|---|------------|
| Class A Performance Rights to be issued subject to Shareholder approval at the August Meeting | 10,300,000 |
| Class B Performance Rights to be issued subject to Shareholder approval at the August Meeting | 2,300,000  |

### Notes:

1. Each Performance Right gives a holder the right to 1 Share in the capital of the Company. Conversion of the Performance Rights are subject to certain milestones being achieved

by the holder within 3 years from date of issue. Details of the terms are set out in the notice of meeting distributed in relation to the August Meeting.

2. Mr Jack Hamilton has entered into a services agreement with the Company which provides that Mr Hamilton will be issued, subject to Shareholder approval, 1,000,000 Class B Performance Rights which will vest and convert to an equivalent number of Shares on the completion of a further capital raising in excess of \$10 million or the Company achieving a market capitalisation of greater than \$30 million for 5 consecutive days provided either of the measures are met within 3 years from the date of Shareholder approval. As at the date of this Prospectus, a meeting has not been called in relation to obtaining Shareholder approval for the issue of the Performance Rights to Mr Hamilton.

## Convertible Preference Shares

|  | Number |
|--|--------|
| Convertible Preference Shares on issue | 9      |

**Note:** Each Preference Share will convert into 208 Shares as follows:

- 5 Class B Preference Shares will convert upon the Company achieving 500 barrels of oil per day;
- 2 Class C Preference Shares will convert upon the Company achieving 1000 barrels of oil per day; and
- 2 Class D Preference Shares will convert upon the Company achieving 1500 barrels of oil per day.

No Securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 4.3 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

### *As at the date of the Prospectus*

| Shareholder   | Shares      | % <sup>1</sup> |
|---|-------------|----------------|
| Mr Jason Peterson & Mrs Lisa Peterson<br><J & L Peterson S/F A/C> | 123,333,333 | 11.99%         |
| Ms Jewel Nkechi Okwechime & Ms Rose Ada Okwechime                 | 75,000,000  | 7.29%          |
| CQS Asset Management Limited <sup>2</sup>                         | 92,612,399  | 9.00%          |
| Pheakes Pty Ltd<br><Senate A/C>                                   | 65,833,333  | 6.40%          |
| Mr David Arthur Paganin<br><D A Paganin Family No 2 A/C>          | 63,333,333  | 6.15%          |

#### Notes

<sup>1</sup> Assumes no Options on issue are exercised.

<sup>2</sup> Held by HSBC Custody Nominees (Australia) Limited.

***On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer and Shareholder approval is obtained in relation to the Consolidation)***

No existing substantial shareholders would retain a shareholding interest of 5% or more.

#### 4.4 Pro forma balance sheet

The Offer will have an effect on the Company's financial position. Set out below is the consolidated unaudited balance sheet of the Company as at 31 July 2014 and the consolidated balance sheet of the Company (pro-forma, unaudited) as at 31 July 2014, incorporating the effect of the Offer including issue costs and the other significant events post 31 July 2014.

The pro-forma consolidated balance sheet has been prepared on the basis that the resolution put forward at the August Meeting regarding the issue of the Shares pursuant to this Prospectus have been passed and all Shares are issued under the Offer, including expenses of the Offers (and no Options exercised prior to the Offer closing).

The pro-forma consolidated balance sheet (as appears on the following page) has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

|                                      | Unaudited Actuals as<br>at 31 July 2014 | Unaudited Pro forma <sup>1</sup><br>as at 31 July 2014 |
|--------------------------------------|---|--|
|                                      | \$                                      | \$   |
| <b>CURRENT ASSETS</b>                |   |  |
| Cash and cash equivalents            | 412,015                                 | 7,954,015  |
| Trade and other receivables          | 84,593                                  | 84,593   |
| <b>TOTAL CURRENT ASSETS</b>          | <b>496,608</b>                          | <b>8,038,608</b>                                       |
| <b>NON CURRENT ASSETS</b>            |   |  |
| Exploration expenditure              | 396,423                                 | 396,423  |
| Property, plant and equipment        | 33,141                                  | 33,141   |
| <b>TOTAL NON CURRENT ASSETS</b>      | <b>429,564</b>                          | <b>429,564</b>   |
| <b>TOTAL ASSETS</b>                  | <b>926,172</b>                          | <b>8,468,172</b>                                       |
| <b>CURRENT LIABILITIES</b>           |   |  |
| Trade and other payables             | 245,592                                 | 245,592  |
| <b>TOTAL CURRENT LIABILITIES</b>     | <b>245,592</b>                          | <b>245,592</b>   |
| <b>NON CURRENT LIABILITIES</b>       |   |  |
| Trade and other payables             | -                                       | -  |
| <b>TOTAL NON CURRENT LIABILITIES</b> | <b>-</b>                                | <b>-</b>   |
| <b>TOTAL LIABILITIES</b>             | <b>245,592</b>                          | <b>245,592</b>   |
| <b>NET ASSETS</b>                    | <b>680,580</b>                          | <b>8,222,580</b>                                       |
| <b>EQUITY</b>                        |   |  |
| Issued capital                       | 29,305,068                              | 36,847,068   |
| Reserves                             | (4,473,731)                             | (1,953,731)  |
| Accumulated losses                   | (24,150,757)                            | (26,670,757)   |
| <b>TOTAL EQUITY</b>                  | <b>680,580</b>                          | <b>8,222,580</b>                                       |

**Note:** The Pro forma figures are based on \$8,000,000 capital raised less associated costs. Should the amount raised be less than \$8,000,000 then the resulting effect will be that the cash balance and issued capital will reduce by the lesser amount raised after adjusting for a reduction in the costs of raising capital.

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## **5. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

### **5.1 Rights attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind

a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment. The Directors may from time to time pay to the Shareholders any interim dividends that they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability. The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Future increase in capital**

The issue of any new shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorized by a special resolution passed at a separate meeting of the holders of the shares of that class.



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## **6. RISK FACTORS**

### **6.1 General**

The Shares offered under this Prospectus should be considered speculative.

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.2 Company Specific**

#### **(a) Sovereign**

The Company's project interests are situated in the USA. Accordingly, the Company is subject to the risks associated in operating in foreign countries. The risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with oil and gas exploration and production in the USA. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production and in turn may affect the viability and profitability of the Company.

#### **(b) Unidentified project**

The future risks of the Company will include risks specific to any new asset acquired after the due diligence and project identification process contemplated by the Company as the primary use for the proceeds of the Offer. Whilst the focus will be on identifying projects in the oil and gas sector in a similar geographical location to the Company's existing asset any new asset may have its own specific risks different to more general industry risks the Company is currently exposed to. As the asset or assets have not yet been identified it is not possible to disclose risks specific to that industry.

#### **(c) Contractual risk**

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party, and the ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under

these agreements. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

(d) **Reliance on key personnel**

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

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and may result in loss of tenure, as the case may be.

(f) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions including risks associated with operating in foreign jurisdictions.

### **6.3 Industry specific – oil and gas**

(a) **Exploration and Development Risks**

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability

of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment. In addition, drilling and operations include reservoir risk such as the presence of shale laminations in the otherwise homogeneous sandstone porosity.

Industry operating risks include fire, explosions, unanticipated reservoir problems which may affect field production performance, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty (such as lack of sufficient sub-surface data from correlative well logs and/or formation core analyses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) **Oil and gas price fluctuations**

The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

(c) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment applicable in the jurisdiction of those activities. As with most production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or production

proceeds. It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

## **6.4 General risks**

### **(a) Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### **(b) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **(c) Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### **(d) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility

with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## **6.5 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Continuous Disclosure Obligations**

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date       | Description of Announcement                                   |
|------------|---|
| 04/08/2014 | Change of Name to Antilles Oil and Gas NL                     |
| 31/07/2014 | Quarterly Activities Report                                   |
| 31/07/2014 | Quarterly Cashflow Report                                     |
| 29/07/2014 | Becoming a Substantial Shareholder                            |
| 25/07/2014 | Advance Energy enters MOU with AGR                            |
| 24/07/2014 | Investor Presentation   |
| 23/07/2014 | Change in substantial holding                                 |
| 18/07/2014 | AVDG - Removal of quoted convertible notes                    |
| 17/07/2014 | Final Director's Interest Notice                              |
| 17/07/2014 | Initial Director's Interest Notice x 2                        |
| 17/07/2014 | Change of Director's Interest Notice x 3                      |
| 14/07/2014 | Appointment of Managing Director & Non-Executive Chairman     |
| 11/07/2014 | Consolidation / Placement / Notice of Meeting                 |
| 11/07/2014 | Completion of \$1.1m Note Issue / Conversions of Debt / App3B |
| 01/07/2014 | Change of registered office and company secretary             |
| 26/06/2014 | Cessation of Interest on Listed Convertible Notes (AVDG)      |
| 19/06/2014 | Completion of Consolidation of Capital                        |
| 18/06/2014 | Directors' Interest Notices                                   |
| 18/06/2014 | Director Appointment/Resignation                              |
| 11/06/2014 | Deferral for Change of Share Registry                         |
| 11/06/2014 | Consultant Appointed for Strategic Review/New Opportunities   |
| 11/06/2014 | Results of Meeting  |
| 30/05/2014 | Results of Meeting  |
| 29/05/2014 | Change of Share Registry                                      |
| 19/05/2014 | Results of Meeting of Convertible Note Holders                |
| 12/05/2014 | Notice of General Meeting/Proxy Form                          |
| 06/05/2014 | Convertible Note Holder Notice of Meeting                     |
| 01/05/2014 | Notice of Annual General Meeting/Proxy Form                   |
| 30/04/2014 | Quarterly Activities and Cashflow Report                      |
| 30/04/2014 | Annual Report to shareholders                                 |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website [www.antillesoilandgas.com.au](http://www.antillesoilandgas.com.au).

## **7.2 Mandate Letter – CPS Capital**

The Company entered into a corporate finance/advisory mandate with CPS Capital on 4 July 2014 (**Mandate**). The Mandate provides that CPS Capital will act as lead manager to the capital raisings proposed by the Company for a 3 month period. In particular, the Company agreed to appoint CPS Capital as lead manager and broker to assist with the equity raising pursuant to this Offer.

CPS Capital will be paid the following fees:

- (a) a 2.2% management fee (including GST) on all funds raised for the Company under the Mandate;
- (b) a 4.4% placement fee (including GST) on all funds raised for the Company by CPS Capital; and
- (c) a corporate advisory fee of \$5,500 (including GST) per month in arrears commencing on 1 July 2014.

CPS Capital will also be entitled to reimbursements for any reasonable expenses incurred.

Mr Damian Black, a director of the Company, is an employee of CPS Capital and will be paid a commission by CPS Capital in relation to the Mandate.

## **7.3 Directors' and proposed Director Interests**

Other than as set out in this Prospectus, no Director or Proposed Director holds or has held within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with
  - (i) its formation or promotion or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be and no benefits have been given or agreed to be given to a Director or Proposed Director:

- (a) as an inducement to become, or to qualify him as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.



## Security holdings

The relevant interest of each of the Directors and Proposed Director in the securities of the Company as at the date of this Prospectus is set out in the table below.

| Director                   | Shares                  | Options |
|----------------------------|-------------------------|---------|
| Jack Hamilton              | Nil                     | Nil     |
| David Ormerod <sup>1</sup> | Nil                     | Nil     |
| Damian Black <sup>1</sup>  | 40,333,333 <sup>2</sup> | Nil     |
| Ranko Matic                | 12,500,000 <sup>3</sup> | Nil     |
| Proposed Director          | Shares                  | Options |
| Gary Grubitz               | Nil                     | Nil     |

### Notes

1. Subject to Shareholder approval at the August Meeting, David Ormerod and Damian Black will be issued Class A and Class B Performance Rights and Partly Paid Shares. If approval is obtained, David Ormerod will be issued 9,000,000 Performance Rights and 6,000,000 Partly Paid Shares. If Shareholder approval is obtained, Damian Black will be issued 2,000,000 Performance Rights and 3,000,000 Partly Paid Shares.
2. Damian Black's Shares are held indirectly through Brijohn Nominees Pty Ltd as trustee for the Nelsonio A/C of which Mr Black is a director and beneficiary.
3. Ranko Matic's Shares are held by Ranko Matic as trustee for The 4 Weddings A/c.

## Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The maximum aggregate remuneration for non-executive Directors has been set at no more than \$300,000.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

The table below shows the total annual remuneration paid to both executive and non-executive directors and proposed director in each of the past two financial years and the proposed remuneration for the current financial year.

| Director                   | 30 June 2013<br>\$ | 30 June 2014<br>\$ | 30 June 2015<br>\$ |
|----------------------------|--------------------|--------------------|--------------------|
| Jack Hamilton <sup>1</sup> | Nil                | Nil                | 60,000             |
| David Ormerod <sup>2</sup> | Nil                | \$21,800           | 339,450            |
| Damian Black <sup>3</sup>  | Nil                | Nil                | 60,000             |
| Ranko Matic <sup>4</sup>   | Nil                | Nil                | 108,000            |
| Proposed Director          | 30 June 2013<br>\$ | 30 June 2014<br>\$ | 30 June 2015<br>\$ |
| Gary Grubitz               | Nil                | Nil                | To be agreed       |

### Notes

1. Jack Hamilton was appointed on 14 July 2014. In addition to Mr Hamilton's salary, he will be entitled, subject to Shareholder approval, to be issued Preference Rights subject to certain milestones and partly paid Shares (not issued at the date of this Prospectus). Refer to clause 4.2 for further details.

2. David Ormerod was appointed on 14 July 2014. Mr Ormerod will be paid an annual salary of \$310,000 (plus super). \$21,800 was paid to Clearview Oil and Gas of which Mr Ormerod is a director. In addition, Mr Ormerod will be issued, subject to Shareholder approval at the August Meeting, 8 million Class A Performance Rights, 1,000,000 Class B Performance Rights and 6,000,000 Partly Paid Shares.
3. Damian Black was appointed on 18 June 2014 and has entered into an Agreement with the Company. In addition to Mr Black's salary, he will be entitled, subject to Shareholder approval at the August Meeting, to be issued with 1 million Class A Performance Rights, 1 million Class B Performance Rights and 3,000,000 Partly Paid Shares.
4. Ranko Matic was appointed on 7 April 2014. At the date of this Prospectus, an agreement has not been entered into in relation to Mr Matic's remuneration with the Company. The above amount is an estimate.

## 7.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held, within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$12,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$72,947.25 (excluding GST and disbursements) for legal services provided to the Company.

CPS Capital will be paid a 2% (excluding GST) management/broker fee (\$160,000 assuming \$8 million is raised under the Offer) and a 4% (excluding GST) placement fee (up to \$320,000 if all funds raised under the offer are raised through CPS Capital) in respect of the Offer. During the 24 months preceding

lodgement of this Prospectus with the ASIC, CPS Capital has been paid fees totalling \$78,000 by the Company.

## 7.5 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital has given its written consent to being named as Lead Manager/Broker to the Company in this Prospectus. CPS Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 7.6 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## 7.7 Estimated Expenses of Offer

The total expenses of the Offer are estimated to be between \$229,979 and \$530,000 (excluding GST) depending on the level of subscription (minimum, full and oversubscriptions), and are expected to be applied towards the items set out in the table below:

| Expenses of the Offer                     | Minimum<br>\$3,000,000 | Full<br>\$5,000,000 | Over<br>\$8,000,000 |
|---|------------------------|---------------------|---------------------|
| ASIC lodgement fee                        | 2,290                  | 2,290               | 2,290               |
| ASX quotation fees                        | 9,527                  | 12,336              | 16,548              |
| Legal expenses                            | 12,000                 | 12,000              | 12,000              |
| Lead Manager/Broker Fees                  | 180,000                | 300,000             | 480,000             |
| Printing, distribution and other expenses | 19,162                 | 19,162              | 19,162              |
| <b>Total</b>                              | <b>222,979</b>         | <b>345,788</b>      | <b>530,000</b>      |

## 7.8 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

|                |         |               |
|----------------|---------|---------------|
| <b>Highest</b> | \$0.004 | 9 July 2014   |
| <b>Lowest</b>  | \$0.001 | 23 July 2014  |
| <b>Last</b>    | \$0.002 | 8 August 2014 |

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**8. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director and proposed Director has consented to the lodgement of this Prospectus with the ASIC.

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**Mr Ranko Matic**  
**Director**  
**Signed for and on behalf of**  
**ANTILLES OIL AND GAS NL**

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## 9. DEFINITIONS

**\$** means Australian dollars.

**Applicant** means an investor who applies for Shares pursuant to the Offer.

**Application Form** means an application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the Listing Rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**August Meeting** means the general meeting of Shareholders held on 12 August 2014.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a Business Day.

**Closing Date** means the date specified in Section 1 of this Prospectus (unless extended or closed earlier).

**Company** or **Antilles** means Antilles Oil and Gas NL ACN 111 823 762.

**Consolidation** means the consolidation of the Company's securities, subject to approval of Shareholders at the August Meeting, consolidated on the basis that every 80 Shares be consolidated into one (1) Share and every 80 Options be consolidated into one (1) Option.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**First Placement** means the approval by Shareholders at the June Meeting for the placement of Shares to raise up to \$3,000,000.

**June Meeting** means the general meeting of Shareholders held on 11 June 2014.

**Offer** means the offer of Shares the subject of this Prospectus and includes the First Placement and the Second Placement.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means the holder of an Option.

**Prospectus** means this prospectus.

**Second Placement** means the approval being sought by Shareholders at the August Meeting for the placement of Shares to raise up to \$5,000,000.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## APPLICATION FORM

**The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.**

A\$ 

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**Note:** if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

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## INSTRUCTIONS TO COMPLETION OF THIS APPLICATION FORM

### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS

The below instructions are cross-referenced to each section of the Application Form.

#### 1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be for a minimum of 10,000 Shares and in multiples of 10,000 Shares thereafter.

#### 2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.20 – the application price per Share.

#### 3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

### CORRECT FORMS OF REGISTRABLE TITLE

| Type of Investor            | Correct Form of Registration                                  | Incorrect Form of Registration  |
|-----------------------------|---|---------------------------------|
| Trusts                      | Mr John Richard Sample<br><Sample Family A/C>                 | John Sample Family Trust        |
| Superannuation Funds        | Mr John Sample & Mrs Anne Sample<br><Sample Family Super A/C> | John & Anne Superannuation Fund |
| Partnerships                | Mr John Sample &<br>Mr Richard Sample<br><Sample & Son A/C>   | John Sample & Son               |
| Clubs/Unincorporated Bodies | Mr John Sample<br>< Food Help Club A/C>                       | Food Help Club                  |
| Deceased Estates            | Mr John Sample<br><Estate Late Anne Sample A/C>               | Anne Sample (Deceased)          |

#### 4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – [www.automic.com.au](http://www.automic.com.au).

#### 5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

#### 6 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

#### 7 Cheque Details

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Antilles Oil and Gas NL** and crossed "Not Negotiable". Please complete the relevant details in section 7.

#### 8 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

### HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

#### Mailing Address

Antilles Oil and Gas NL  
PO Box 44  
West Perth WA 6872

#### Hand Delivery

**(Please do not use this address for mailing purposes)**

Antilles Oil and Gas NL  
Level 1, 12 Kings Park Road  
West Perth WA 6005