

**CARAVEL ENERGY LIMITED
(TO BE RENAMED “ANTARES MINING LIMITED”)
ACN 119 047 693**

SHORT FORM PROSPECTUS

For an offer to transfer 60,000,000 Tellus Shares to Shareholders of Caravel Energy Limited pursuant to a Capital Reduction by way of In Specie Distribution contained in the Capital Reduction Resolution in the Notice of Meeting dated 11 August 2014 and to facilitate secondary trading of those shares.

IMPORTANT NOTICE

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Directors consider an investment in the Tellus Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

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1. CORPORATE DIRECTORY

Directors

Brian McMaster
Executive Chairman

Roseline Emma Rasolovoahangy
Executive Director

Matthew Wood
Non-Executive Director

Company Secretary

Jonathan Hart

Registered Office

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Subiaco, WA 6008

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General Enquiries and Contact Details

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Share Registry*

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Australian Solicitors

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

Telephone: +61 (8) 9321 4000
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Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Telephone: +61 8 9429 2222
Facsimile: +61 8 9429 2436

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTES

2.1 General

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, or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

This Prospectus, including the Notice of Meeting, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately.

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. 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.

The Offer to New Zealand Shareholders is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

Tellus will apply to the ASX for quotation of the Tellus Shares and accordingly the Tellus Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Tellus Shares through that market, you will have to make arrangements for a participant in that market to sell the Tellus Shares on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

2.2 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with ASIC on 11 August 2014. This Prospectus is issued pursuant to Section 713 of the Corporations Act. That Section allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of Tellus Shares under this Prospectus and contains information that will provide investors and their professional advisers to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to the Tellus Shares; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers investors and their professional advisers to this Prospectus which summarises the information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to investors and their professional advisers or analysts.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.caravelenergy.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

3. THE OFFER

3.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

The Capital Reduction Resolution of the Notice of Meeting is as follows:

"That, for the purposes of Section 256C of the Corporations Act 2001 and for all other purposes, approval is given for the net assets of the Company to be reduced by the Company making a pro rata in specie distribution of approximately 60,000,000 Tellus Shares to all holders of Shares on the Record Date on the basis of 1 Tellus Share for every 13.76 Shares held by Shareholders on the Record Date (rounded up to the nearest whole Tellus Share) on the terms and conditions set at in the Explanatory Statement accompanying this Notice".

Pursuant to the Capital Reduction Resolution, the Company is inviting Shareholders to vote on a reduction of capital by way of an In Specie Distribution of 60,000,000 Tellus Shares to Shareholders on a pro rata basis. This represents approximately 1 Tellus Share for every 13.76 Shares held by Shareholders on the Record Date (rounded up to the nearest whole Tellus Share).

The In Specie Distribution will only proceed if the Capital Reduction Resolution is passed by Shareholders.

Based on ASIC Regulatory Guide 188, the invitation to vote contained in the Capital Reduction Resolution of the Notice of Meeting constitutes an offer to transfer the Tellus Shares for the purposes of Section 707(3) of the Corporations Act. Accordingly, the Company has prepared this Prospectus.

Distribution of Tellus Shares to any Shareholder with a registered address outside Australia or New Zealand under the Capital Reduction Resolution will be subject to legal and regulatory requirements in the relevant jurisdictions of those Shareholders. If the requirements of any such jurisdiction restricts or prohibits the distribution of Tellus Shares as proposed or would impose on the Company an undue obligation or burden, the Tellus Shares to which the relevant overseas Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the distribution and the Company will then account to the Shareholder for the net proceeds of the sale. The price of the Tellus Shares will vary from time to time and the net proceeds of sale may be more or less than the closing price for the Tellus Shares on the day of distribution of the Tellus Shares to Shareholders.

3.2 Indicative timetable

Prospectus and Notice of Meeting lodged with ASIC	11 August 2014
Notice of Meeting and Prospectus despatched to Shareholders	13 August 2014
General Meeting to approve the Capital Reduction Resolution and In Specie Distribution of Tellus Shares	12 September 2014

Company notifies ASX that Shareholders approved the Capital Reduction Resolution	12 September 2014
Ex Date	16 September 2014
Record Date to determine entitlements of Shareholders to Tellus Shares under the In Specie Distribution	18 September 2014
Satisfaction/waiver of all conditions in the Sale Agreement	22 September 2014
In Specie Distribution to Shareholders of Tellus Shares	29 September 2014
Settlement of the Sale Agreement	29 September 2014 (or such other date that is agreed by the Company and Tellus)

3.3 Effect of the Offer on the Company

The Offer will result:

- (a) in the Company ceasing to own the 60,000,000 Tellus Shares issued to it under the Agreement; and
- (b) the Company's share capital and total and net assets being reduced by the fair value of those shares, as determined by the Directors. The Directors will notify Shareholders of the actual reduction in due course.

3.4 Tellus Shares Rights and Liabilities

The rights and liabilities of Tellus Shares are set out in the constitution of Tellus. Section 2.13 of the Explanatory Statement included in the Notice of Meeting contains a summary of the more significant information concerning Tellus Shares and that Section is incorporated by reference into this Prospectus.

Tellus Shares proposed to be distributed to Shareholders will be quoted on ASX and will be able to be traded on ASX once the shares are registered in the name of the Shareholder as a result of this Prospectus being issued by the Company.

Section 2 of the Explanatory Statement included in the Notice of Meeting relating to the Capital Reduction Resolution is incorporated by reference into this Prospectus.

3.5 Tellus is a Disclosing Entity

Tellus is a disclosing entity under the Corporations Act and as such is subject to regular reporting and disclosure obligations. A copy of the documents lodged with ASIC in relation to Tellus may be obtained from, or inspected at, an ASIC office.

Shareholders have the right to obtain a copy of the Tellus 2014 annual financial report, any half year report since the annual report and any continuous disclosure notices given by Tellus lodged with the ASIC since the annual report, free of charge, from the Company at its registered office during normal business

hours before the General Meeting is held or before the In Specie Distribution is undertaken. No documents lodged with ASX for Tellus since the Tellus 2014 annual report was lodged with ASX.

For the purposes of Section 713(5) of the Corporations Act, the Company states that it is not aware of any information about the Offer or in relation to Tellus which has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules.

3.6 Action required by Shareholders

No action is required by Shareholders under this Prospectus.

Should Shareholder approval be obtained for the In Specie Distribution, the Tellus Shares will be transferred to Shareholders in accordance with the terms set out in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from the requirement in ASIC Class Order (CO 07/10) so that the application form is not required to be included in this Prospectus. If the Capital Reduction Resolution is passed, the Company will sign the share transfer forms for the transfer of the Tellus Shares to Shareholders on behalf of Shareholders. Shareholders will receive a holding statement for the Tellus Shares to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary on (08) 9200 4268.

4. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

4.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with ASIC.

The information to be incorporated by reference into this Prospectus is summarised below in Section 4.2 of this Prospectus and will primarily be of interest to Shareholders and their professional advisers.

The Company informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

4.2 Notice of Meeting - Summary of Information Deemed to be Incorporated

In accordance with Section 712 of the Corporations Act, set out below is a summary of the information contained in the Notice of Meeting that is deemed to be incorporated in this Prospectus to assist Shareholders and their professional advisers to determine whether, for the purposes of making an informed decision in relation to the Tellus Shares they should obtain a copy of the Notice of Meeting.

The Sections referred to below are a reference to Sections in the Explanatory Statement to the Notice of Meeting:

(a) **Section 1.1 – Background to the Transaction**

This Section provides an overview of the Transaction including the interests, rights and obligations in Petromad and the Petromad Agreement to be acquired by Tellus from the Company under the Sale Agreement.

(b) **Section 1.2 – Summary of the Sale Agreement**

This Section provides a summary of the Sale Agreement. Tellus has agreed to acquire the Company's 25% shareholding interest in Petromad (being the company which owns a 100% interest in the Project) and all of the Company's rights and obligations under the Petromad Agreement. The consideration for the acquisition is the issue of 85,000,000 Tellus Shares, 60,000,000 of which are to be issue to the Company and the other 25,000,000 to certain unrelated nominated Company creditors. Additionally, Tellus will assume certain liabilities of the Company associated with Petromad.

(c) **Section 1.4 – The Project**

This Section gives a description of the Project to which the Transaction relates and includes a summary of the Petromad Agreement and the status of the Company's activities on the Project.

(d) **Section 1.5 – Future of the Company after completion of the Sale Agreement**

This Section clarifies the Company's anticipated future plans (assuming the Capital Reduction Resolution is approved by Shareholders). The Company intends to immediately shift its focus to the Olympic Dam Licences and future additional opportunities on completion of the Sale Agreement.

(e) **Section 2.1 – Background and overview of the Demerger**

This Section provides a brief overview of the Demerger including the expected number of Tellus Shares to be received by Shareholders for every Share held. Based on the current issued capital of the Company of 825,839,108 Shares, Shareholders will receive 1 Tellus Share for approximately every 13.76 Shares held on the Record Date (rounded up to the nearest whole Tellus Share).

(f) **Section 2.3 – Effect of the proposed equal reduction of capital on the Company**

This Section states that the net assets of the Company will be reduced by \$3,300,000 being the estimated book value of the 60,000,000 Tellus Shares at \$0.055 cents each. The estimated value may vary slightly according to the final calculation of the pro rata distribution of Tellus Shares to the Company's Shareholders which is dependent on the number of Shares on issue as at the Record Date. A pro forma statement of financial position of the Company as at 30 June 2010 is set out in Schedule 1 to the Notice of Meeting showing the financial position of the Company following completion of the In Specie Distribution.

(g) **Section 2.4 – Effect of the proposed equal reduction of capital on Shareholders**

This Section outlines the effect of the proposed capital reduction on Shareholders which is that Shareholders registered on the Record Date will receive a pro rata distribution in specie of Tellus Shares. This Section provides a pro forma capital structure of the Company and Tellus upon completion of the Sale Agreement and after the Capital Reduction Resolution is approved and the In Specie Distribution is completed.

(h) **Sections 2.5 and 2.6 – Advantages and disadvantages of the Demerger**

These Sections outlines the principal advantages and disadvantages to Shareholders of the Demerger.

(i) **Section 2.7 – Additional important information for Shareholders**

This Section provides Shareholders with other information including the capital structures of the Company and Tellus as at the date of the Notice of Meeting and particular details pertaining to the Reduction of Capital Resolution.

(j) **Section 2.8 – Overseas Shareholders**

This Section sets out the rights and restrictions of overseas Shareholders in relation to the Demerger and associated In Specie Distribution;

(k) **Section 2.9 – Directors’ Interests**

This Section provides details the number of securities in the Company which the Directors have an interest in prior to the Demerger and the number of Tellus Shares they are likely to receive if the Capital Reduction Resolution is passed. An additional table shows the remuneration provided to the Directors and their associated companies during the last financial year prior to the date of the Notice of Meeting;

(l) **Section 2.10 – Directors’ recommendations**

This Section includes a statement that the Directors believe that the Capital Reduction is fair and reasonable to Shareholders and that the Capital Reduction will not prejudice the Company’s ability to pay its creditors. The Section also includes a recommendation from the Directors that Shareholders vote in favour of the Capital Reduction Resolution.

(m) **Sections 2.11 to 2.13 – Information on Tellus, Board of Tellus and information concerning Tellus Shares**

These Sections contain information on Tellus (including Tellus’ current projects), the Tellus board of directors and a summary of the more significant rights and liabilities attaching to Tellus Shares.

(n) **Section 2.14 – Risk factors**

This Section lists a number of specific and general risks that may have a material effect on the financial position and performance of Tellus and the value of its shares, as well as Madagascan activities.

(o) **Section 2.17 – Taxation**

This Section outlines the potential Australian tax consequences relating to the Demerger to Shareholders.

5. TELLUS OVERVIEW

A comprehensive overview of Tellus is set out in the Notice of Meeting. Shareholders should refer to Section 4.2 of this Prospectus for a summary of the information contained in the Notice of Meeting deemed to be incorporated in this Prospectus.

Other than as stated in this Prospectus, the Company is not aware of any other material matter or circumstance that would impact on the contents of the Notice of Meeting or the activities and prospects of Tellus and be relevant to assist investors or their professional advisers.

6. MARKET INFORMATION ON TELLUS SHARES

In the last 3 months the closing price of Tellus Shares on ASX has varied from a low of 4.1 cents to a high of 6.5 cents. The closing price of Tellus Shares on the last ASX trading day prior to the date of this Prospectus was 4.2 cents.

7. RISK FACTORS FOR TELLUS SHARES

Shareholders should be aware that an investment in Tellus is speculative and Tellus is subject to various risk factors. As set out in Section 4.2(n) of this Prospectus, a list of the identified risk factors is set out in Section 2.14 to the Explanatory Statement included in the Notice of Meeting.

The list of risk factors ought not to be taken as exhaustive of the risks faced by Tellus or by investors in Tellus. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of Tellus and the value of the Tellus Shares offered under this Prospectus. The Tellus Shares offered pursuant to this Prospectus carry not guarantee with respect to the payment of dividends, return of capital or their market value.

8. PRO-FORMA BALANCE SHEET

An unaudited pro-forma balance sheet of the Company's reviewed balance sheet as at 30 June 2014 as a result of the Transaction which includes the In Specie Distribution is set out in Schedule 1 of the Explanatory Statement to the Notice of Meeting and that Schedule is incorporated by reference into this Prospectus.

9. TAX IMPLICATIONS FOR SHAREHOLDERS

As set out in Section 4.2(o) of this Prospectus, there are tax implications for Shareholders arising from the In Specie Distribution and a general summary of the potential tax consequences is set out in Section 2.17 of the Explanatory Statement which forms part of the Notice of Meeting. That Section is incorporated by reference into this Prospectus. That summary is general in nature and Shareholders should obtain and rely on their own taxation advice in relation to the In Specie Distribution. The Company does not accept any responsibility or liability in respect of the tax consequences for Shareholders.

10. ADDITIONAL INFORMATION

10.1 Interests of Tellus Directors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting:

- (a) no Tellus Director, proposed Tellus Director or any related entity of a Tellus Director or proposed Director holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
 - (i) the formation or promotion of Tellus;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (b) except as set out in this Prospectus or the Notice of Meeting, no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any Tellus Director, proposed Director or any related entity of a Tellus Director or proposed Tellus Director, either to induce him to become, or to qualify, as a Tellus Director or otherwise for services rendered in connection with the formation or promotion of Tellus or the Offer.

10.2 Remuneration of Tellus Directors

In the two years preceding lodgement of this Prospectus, the following amounts (exclusive of GST) have been paid or agreed to be paid by Tellus by way of annual remuneration for services provided by the Directors, proposed Tellus Directors, companies associated with the Tellus Directors or proposed Tellus Directors or their respective associates in their capacity as Directors, proposed Tellus Directors, employees, consultants or advisers:

- (a) Mr Robert Kennedy (Tellus Director) - \$50,000;
- (b) Mr Carl Dorsch (Tellus Director) - \$335,000; and
- (c) Mr Neil Young (Tellus Director) - \$40,000.

10.3 Interests of Advisors

Other than as set out below or elsewhere in the Prospectus or the Notice of Meeting:

- (a) No 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 holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
 - (i) the formation or promotion of Tellus;
 - (ii) property acquired or proposed to be acquired by Tellus in connection with its formation or promotion or the Offer; or

- (iii) the Offer.
- (b) No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any such person for services rendered in connection with the formation or promotion of Tellus or the Offer.
- (c) Steinepreis Paganin has acted as Australian lawyers to the Company in relation to the Offer and is entitled to be paid approximately \$7,500 (exclusive of GST) in respect of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees from the Company for legal services of \$90,653.07 (exclusive of GST and disbursements).

11. EXPERTS AND OTHERS CONSENT

- (a) Other than as set out below, each of the parties referred to in this Section:
 - (i) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties;
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes 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 the party; and
 - (iii) did not authorise or cause the issue of all or any part of this Prospectus.
- (b) Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Australian lawyers to the Company in relation to the Offer in the form and context in which it is named and to the incorporation by reference into this Prospectus of the Notice of Meeting in the form and context in which it is incorporated, and to all references to that Notice of Meeting in this Prospectus in the form and context in which they appear.

12. DIRECTORS' CONSENT

Each Director of the Company has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

13. SIGNATURE

This Prospectus is signed for and on behalf of the Company by:



Brian McMaster
Director
CARAVEL ENERGY LIMITED

Dated: 11 August 2014.

14. DEFINITIONS

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

ASX Listing Rules means the official Listing Rules of the ASX.

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

Capital Reduction means the equal reduction of capital of the Company proposed to be satisfied by the In Specie Distribution and transfer to Eligible Shareholders (in proportion to their holdings of Shares) of Tellus Shares held by the Company.

Capital Reduction Resolution means Resolution 1 of the Notice of Meeting to be put to Shareholders at the General Meeting to approve the Capital Reduction.

Company means Caravel Energy Limited (ACN 119 047 693).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001(Cth).

Demerger means the demerger of the Project as contemplated by the Capital Reduction Resolution and summarised in Section 2.1 of the Explanatory Statement.

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

Eligible Shareholder means a holder of Shares in the Company as at the Record Date.

Explanatory Statement means the explanatory statement accompanying and forming part of the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

In Specie Distribution means, as part of the Transaction, the Capital Reduction by way of in specie distribution of Tellus Shares to Shareholders for which approval is being sought pursuant to the Capital Reduction Resolution of the Notice of Meeting.

Notice of Meeting means the Notice of General Meeting of the Company dated 11 August 2014 in which the Capital Reduction Resolution is to be considered.

Offer means the offer of Tellus Shares pursuant to the Notice of Meeting.

Olympic Dam Licences means the Company's existing portfolio of copper licences in the Olympic Dam copper province of South Australia comprising licences EL 5082 – EL 5086, EL 5224, EL 4698, EL 4754 and EL 4755.

Petromad means Petromad Mauritius Limited, a company incorporated in Mauritius.

Petromad Agreement means the agreement between the Company, Petromad and Dr Roseline Emma Rasolovoahangy (the owner of the remaining 75% interest in Petromad) pursuant to which the Company has the right to acquire up to an 80% interest in Petromad by satisfying various funding obligations.

Project means the Bezaha Oil Project (Concession Block 3114) in the Morondava Oil Basin in southern Madagascar owned by Petromad.

Prospectus means this short form prospectus prepared in accordance with Section 712 of the Corporations Act and dated 11 August 2014.

Record Date means date for determining Eligible Shareholders in respect of the Offer as specified in the timetable set out in Section 3.2 of this Prospectus (unless extended).

Sale Agreement means the conditional sale and purchase agreement between the Company and Tellus pursuant to which the Company has agreed to sell and Tellus has agreed to purchase the Company's 25% interest in Petromad, the Company's rights and obligations under the Petromad Agreement and Company's right, title and interest in certain petroleum information relating to the Project.

Section means a section of this Prospectus, the Notice of Meeting or the Corporations Act, as the context requires.

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

Shareholder means a holder of Shares.

Tellus means Tellus Resources Limited (ACN 144 733 595).

Tellus Director means a current director of Tellus.

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

Transaction means the transaction contemplated by the Sale Agreement.

WST means Western Standard Time, Perth, Western Australia.