



**WHL ENERGY LIMITED  
ACN 113 326 524**

**PROSPECTUS**

**FOR**

**A non-renounceable pro rata entitlement offer to Eligible Shareholders on the basis of 3 Shares for every 10 Shares held at the Record Date, together with 2 free attaching New Listed Options for every 3 Shares subscribed for, at an issue price of \$0.01 per Share**

**THE ENTITLEMENT OFFER CLOSES AT 5.00PM (WST) ON 17 OCTOBER 2014  
VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND ON THE  
ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDED THE  
ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO,  
YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY**

**THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE  
NATURE.**



## IMPORTANT INFORMATION

### General

This Prospectus is dated 24 September 2014 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 2, 22 Delhi Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 6.5). Eligible Shareholders with registered addresses in Australia and New Zealand only can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website – [www.whlenergy.com](http://www.whlenergy.com).

The Company will apply to ASX within 7 days of the date of this Prospectus for official quotation by ASX of the Securities offered pursuant to this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

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

### Entitlement and Acceptance Form

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to instructions in Section 3 regarding the acceptance of your Entitlement. Acceptances of Securities can only be submitted on an Entitlement and Acceptance Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer.

Applications for Shortfall Shares must be made on the Entitlement and Acceptance Form if you are an Eligible Shareholder. The issue of Shortfall Shares to Shareholders is in the absolute discretion of the Directors. More information on the Shortfall Offer is contained in Section 1.6.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

### Foreign Investors

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

## **Speculative Investment**

The Securities offered by this Prospectus should be considered speculative. Some of the risk factors that should be considered by potential investors are detailed in Section 4.

This Prospectus is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

## **Transaction Specific Prospectus**

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.

## **Forward Looking Statements**

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" 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 the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has 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.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in 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.

## **Defined Terms**

Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

## CORPORATE DIRECTORY

### Directors

Mr David Paul Rowbottam  
Mr Faldi Ismail  
Mr Stuart Anthony Brown

Managing Director  
Non-Executive Chairman  
Non-Executive Director

### Company Secretary

Mr Ian Richard Hobson

### Registered Office

Level 2  
22 Delhi Street  
West Perth WA 6005  
Telephone: +61 8 6500 0271  
Facsimile: +61 8 9321 5212

### Share Registry

Link Market Services Limited  
Level 4, Central Park  
152 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 554 474

**ASX Code:** WHN

**Website:** [www.whlenergy.com](http://www.whlenergy.com)

### Legal Adviser

Hardy Bowen Lawyers  
Level 1  
28 Ord Street  
West Perth WA 6005

### Auditor\*

HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth WA 6000

### Lead Manager

PAC Partners Pty Ltd  
Level 12  
15 William Street  
Melbourne VIC 3000

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

## INDICATIVE TIMETABLE

Announcement of Entitlement Offer	22 September 2014
Lodgement of Prospectus with ASIC and ASX Inform existing Optionholders of the Entitlement Offer	24 September 2014
Notice of Entitlement Offer sent to Shareholders	25 September 2014
Shares quoted on an “EX” basis	29 September 2014
Record Date for determining Entitlements	1 October 2014
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	7 October 2014
Opening Date of Entitlement Offer	7 October 2014
Closing Date of Entitlement Offer	17 October 2014
Securities quoted on a deferred settlement basis	20 October 2014
Notification of Shortfall	22 October 2014
Anticipated date for issue of the Securities	24 October 2014

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Securities.

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## KEY RISK FACTORS

An investment in Securities is subject to risks and uncertainties and should be considered speculative. Some of the more significant risks which may affect the Company are:

- (a) Exploration and Development Risks – refer to Section 4.3(a)

Exploration and development of oil and gas projects are high risk ventures and often encounter technical and non-technical difficulties. The costs of exploration and development can exceed planned expenditure due to inherent uncertainties.

- (b) Oil and Gas Price Fluctuations – refer to Section 4.3(b)

The demand for, and the price of, oil and natural gas is highly dependent on a variety of factors. International Oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future.

- (c) New Projects and Acquisitions – refer to Section 4.2(a)

The Company is actively pursuing and assessing new acquisition and investment opportunities in the oil and gas sector. There can be no guarantee that any proposed acquisition or investment will be successful, and there are also risks associated with any acquisitions that are completed.

- (d) Joint Venture Risks – refer to Section 4.2(e)

The current operations of the Company are focussed on assets that are subject to farm-out/joint venture arrangements with third parties. Any withdrawal by these parties from the applicable farm-out/ joint venture arrangements and/or any issues with their ability to perform the obligations due under these arrangements could have a material adverse impact on the assets and financial position of the Company.

- (e) Additional Requirements for Funding – refer to Section 4.2(b)

The Company expects that further funds will need to be secured in the future. There is no certainty regarding the ability of the Company to raise sufficient funds to meet the needs of the Company in the future.

Section 4 contains greater details of the risks of an investment in the Company.

## CHAIRMAN'S LETTER

24 September 2014

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in the future growth of WHL Energy Limited (**WHL** or the **Company**) by way of a non-renounceable pro rata entitlement offer of WHL shares and options as outlined in this Prospectus.

Proceeds from the Entitlement Offer will be utilised by the Company:

- (a) to pursue new potential oil and gas investment/ project acquisition opportunities;
- (b) to prepare for its proposed foreign securities exchange dual listing;
- (c) to maintain ongoing operations on current projects; and
- (d) for general working capital expenses.

Under the Entitlement Offer, Eligible Shareholders are entitled to be issued 3 Shares for every 10 Shares held by them on the Record Date (being 5.00pm (WST) on 1 October 2014), together with 2 free attaching New Listed Options for every 3 Shares subscribed for (**Entitlement**).

Shareholders also have the opportunity to apply for Shares (and accompanying free attaching New Listed Options) in excess of their Entitlement in the event that not all Securities are taken up under the Entitlement Offer (**Shortfall Shares**).

The Entitlement Offer price of \$0.01 cents per Share represents a 9.09% discount to the closing market price on 18 September 2014, the last day of trading before the announcement of the Entitlement Offer and a 22.2% discount to the twenty trading day volume weighted average price (VWAP) of the Shares of \$0.0129.

To apply for Shares under the Entitlement Offer, you need to complete the Entitlement and Acceptance Form accompanying this Prospectus. If you wish to apply for Shortfall Shares in excess of your Entitlement, please follow the instructions in Section 3.3.

The Entitlement Offer is not being underwritten and there is no minimum subscription amount under the Entitlement Offer.

If you have any questions about the Entitlement Offer, you should seek advice from your stockbroker, accountant or other professional adviser. The Directors urge you to carefully read this Prospectus in its entirety (including Section 4 which contains a summary of the major risks associated with an investment in WHL) before deciding how to deal with your Entitlement.

On behalf of the Board, I recommend this Entitlement Offer to you and thank you for your continued support of WHL.

Yours sincerely



Faldi Ismail  
**Chairman**  
**WHL Energy Limited**



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## 1. Details of the Entitlement Offer

### 1.1 The Entitlement Offer

The offer under this Prospectus is a non-renounceable pro rata entitlement offer to Eligible Shareholders on the basis of 3 Shares for every 10 Shares held on the Record Date, together with 2 free attaching New Listed Options for every 3 Shares subscribed for, at an issue price of \$0.01 per Share (**Entitlement Offer**) to raise up to \$4.87m (before costs).

At the date of this Prospectus the Company has 1,624,248,384 Shares, 598,134,157 Options (of various classes) and 16,400,000 Performance Rights on issue. On the basis that no Options are converted, and no Performance Rights vest, prior to the Record Date, the Entitlement Offer is for 487,274,515 Shares and 324,849,676 New Listed Options.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

Refer to Section 5 for a summary of the rights attaching to Shares and New Listed Options.

### 1.2 Use of Funds

Completion of the Entitlement Offer will result in an increase in cash in hand of up to approximately \$4.87 million before the payment of costs associated with the Entitlement Offer (estimated to be approximately \$297,231 – refer to Section 6.11).

Funds raised under the Entitlement Offer are proposed to be utilised by the Company as follows:

Item of Expenditure	Amount (\$)
Acquisition costs for potential new oil and gas investments/projects	1,670,000
Consultants costs for technical and commercial evaluation of potential new oil and gas investments/projects	835,000
Expenses involved in undertaking a potential dual listing of the Company	366,000
Additional working capital to maintain ongoing operations on current projects	537,000
General working capital requirements (i.e. corporate administration etc)	1,167,514
Costs of the Entitlement Offer	297,231
<b>TOTAL FUNDS RAISED</b>	<b>4,872,745</b>

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget plan, 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.

Should the Company not be able to obtain the full funding sought under this Prospectus (i.e. if the Entitlement Offer is not fully subscribed for and/or all Shortfall Shares placed) it will postpone the commencement of the dual listing process. If there remains insufficient funds then the Company would scale back its program to acquire an interest in further oil and gas projects.

In respect to the expenditure items detailed in the table above the Company notes the following:

(a) Acquisition of Potential New Oil and Gas Investments/Projects

As detailed in the Company's recent presentation to the "Good Oil Conference" and its ASX release dated 9 September 2014, the Company is actively pursuing new potential oil and gas investment/project acquisition opportunities.

Subject to identifying and negotiating the acquisition of a suitable investment/project, it is customary to provide a sizeable cash holding deposit pending final due diligence (which may be refundable or non-refundable). This would allow the Company to complete the due diligence process (in order to ascertain whether it wishes to proceed with the proposed acquisition) and enable the Company to identify the costs or expenditures, such as drilling, that will be required in order for the Company to earn a working interest in the applicable project.

The review of new opportunities will require consultants, other than geotechnical personnel, to evaluate specific risks around new country entry issues and commercial issues not limited to evaluating potential tax burden costs. In addition, the Company's exploration staff and consultants, that have to date been deployed in the further development of the Company's other two major assets, will be engaged in the due diligence investigation.

The Company is seeking an acquisition opportunity that might include near term drilling during the 2015 calendar year. Such an opportunity would likely require the Company to raise additional funds in order to satisfy any applicable earn-in or farm-in expenditure requirements. Any additional fundraising is likely to be undertaken as part of the Company's proposed dual listing. Refer to Section 1.2(b) below.

(b) Potential Dual Listing

The Company is planning on seeking to obtain a listing of the Company, and an admission to trading of Shares, on a foreign securities exchange. As at the date of this Prospectus, the Company is primarily considering an AIM or SGX listing. The Company intends to maintain its ASX listing.

The Company is currently evaluating which of the securities exchange alternatives it will pursue and will update Shareholders as to its intentions, and progress of the applicable listing procedure, by way of ASX announcements. The Company is aiming to complete the dual listing

before May 2015 and will apply part of the funds raised from the Offer to the legal and administrative expenses required in order to meet this objective.

(c) Maintenance of On-Going Operations on Current Projects

The Seychelles Project has reached a stage of maturity where all major operational costs are being met by the operator, Ophir Energy plc (**Ophir**). The Company remains the operator of the VIC/P67 Project and awaits the decision by AWE Energy Ltd (**AWE**) regarding its election to become operator and finalise its level of participation should it remain in the joint venture. The expenditure detailed in the table above represents the anticipated contributions through to 31 March 2015 for both of the aforementioned projects before substantial drilling costs may need to be incurred.

(d) General Working Capital

The funds allocated to the "general working capital requirements" detailed above are sufficient to ensure that the Company can maintain its current level of operations until the end of June 2015.

### 1.3 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from Eligible Shareholders', as determined on the Record Date, from the Opening Date until 5.00pm (WST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

### 1.4 Entitlement Offer not underwritten

The Entitlement Offer is not underwritten.

### 1.5 Lead Manager

The Company has engaged the Lead Manager to provide services in respect of the Entitlement Offer and the Shortfall Offer (see below). The terms of the appointment of the Lead Manager are summarised in Section 6.1, which include, amongst other things, the provision of up to 15,000,000 New Listed Options to the Lead Manager.

### 1.6 Shortfall Offer

In the event that not all Eligible Shareholders accept their full Entitlement, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Shares at their sole discretion to such persons as they determine (**Shortfall Offer**).

All Eligible Shareholders may apply for Shares in excess of their Entitlement by applying for Shortfall Shares.

The offer of any Shortfall Shares is a separate offer made pursuant to this Prospectus and will remain open for up to three months after the Closing Date. The

Shortfall Shares will have the same issue price as the Shares offered pursuant to the Entitlement Offer and will have the same rights as the Shares under the Entitlement Offer as detailed in Section 5. Each of the Shortfall Shares will be issued with free attaching New Listed Options on the same basis as the Entitlement Offer.

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of the Entitlement and Acceptance Form sent with this Prospectus together with a cheque in Australian Dollars, crossed "Not Negotiable" and made payable to "WHL Energy Ltd – Share Issue Account" for the subscription amount in the Application. Alternatively, payment of the subscription amount for the Shortfall Shares can be made by BPAY® (refer to Section 3.1).

The Company reserves the right to issue to an applicant for Shortfall Shares a lesser number of Shortfall Shares than the number applied for or reject an application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for in an Entitlement and Acceptance Form or if no Shortfall Shares are issued surplus Application Monies will be refunded in full. Interest will not be paid on any Application Monies refunded.

## 1.7 Dilution and effect of the Entitlement Offer on the control of the Company

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 23% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are detailed in the table below:

Holder	Shareholding as at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Shareholdings if Entitlement Offer not taken up	% post Entitlement Offer*
Example Shareholder 1	100,000,000	6.16%	30,000,000	100,000,000	4.74%
Example Shareholder 2	50,000,000	3.08%	15,000,000	50,000,000	2.37%
Example Shareholder 3	15,000,000	0.92%	4,500,000	15,000,000	0.71%
Example Shareholder 4	5,000,000	0.31%	1,500,000	5,000,000	0.24%
Example Shareholder 5	500,000	0.03%	150,000	500,000	0.02%

\* The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements are not accepted are placed under the Shortfall Offer. If all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

Shareholders should further note that if they do not participate in the Entitlement Offer and all free attaching New Listed Options issue pursuant to the Entitlement Offer are exercised, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are detailed in the table below:

Holder	Shareholding as at Record Date	% at Record Date	Entitlement under the Entitlement Offer if free attaching New Listed Options are exercised	Shareholdings if Entitlement Offer not taken up	% post Entitlement Offer*
Example Shareholder 1	100,000,000	6.16%	50,000,000	100,000,000	4.08%
Example Shareholder 2	50,000,000	3.08%	25,000,000	50,000,000	2.04%
Example Shareholder 3	15,000,000	0.92%	7,500,000	15,000,000	0.61%
Example Shareholder 4	5,000,000	0.31%	2,500,000	5,000,000	0.20%
Example Shareholder 5	500,000	0.03%	250,000	500,000	0.02%

\* The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements are not accepted are placed under the Shortfall Offer and that all New Listed Options issued under the Entitlement and Shortfall Offers are exercised (plus the full 15,000,000 New Listed Options that may be issued to the Lead Manager). If all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, or if some of the New Listed Options were not exercised, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The Company does not anticipate that either of the Entitlement Offer or Shortfall Offer will result in any Shareholder having voting power in the Company in excess of 20%.

## 1.8 Directors' interests and participation

The relevant interest of each Directors' in the securities of the Company as at the date of this Prospectus, together with their respective Entitlements, is detailed in the table below:

Director	Shares	Options	Performance Rights	Entitlement (Number of Shares)	Entitlement (Number of New Listed Options)
Mr Faldi Ismail	3,200,000	Nil	4,800,000 <sup>(1)</sup>	960,000	640,000
Mr David Paul Rowbottom	12,109,090	Nil	6,800,000 <sup>(2)</sup>	3,632,727	2,421,818
Mr Stuart Anthony Brown	3,200,000	Nil	4,800,000 <sup>(3)</sup>	960,000	640,000

Notes:

- (1) Comprising:
  - 3,200,000 Performance Rights which automatically convert into Shares on 1 July 2015 for nil exercise price; and
  - 1,600,000 Performance Rights which automatically convert into Shares on 1 July 2016 for nil exercise price.
- (2) Comprising:
  - 5,200,000 Performance Rights which automatically convert into Shares on 1 July 2015 for nil exercise price; and
  - 1,600,000 Performance Rights which automatically convert into Shares on 1 July 2016 for nil exercise price.
- (3) Comprising:
  - 3,200,000 Performance Rights which automatically convert into Shares on 1 July 2015 for nil exercise price; and

- 1,600,000 Performance Rights which automatically convert into Shares on 1 July 2016 for nil exercise price.

As at the date of this Prospectus, each of the Directors have indicated that they intend to partially take up their Entitlement.

## **1.9 Minimum Subscription**

There is no minimum subscription under the Entitlement Offer.

## **1.10 No Rights Trading**

The Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights (i.e. Entitlements) on ASX and you may not dispose of your rights to subscribe for Securities to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse.

## **1.11 Risks of the Entitlement Offer**

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Sections 4.2 and 4.3.

## **1.12 Forms and BPAY® Payments**

Acceptance of a completed Entitlement and Acceptance Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

## **1.13 Issue and despatch**

Securities under the Entitlement Offer are expected to be issued, and security holder statements despatched, on or before the date in the proposed timetable in this Prospectus.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements do so at their own risk.

## **1.14 Application Monies held on trust**

All Application Monies received for the Securities will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

### **1.15 ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Securities offered pursuant to this Prospectus. If permission is not granted by ASX for the official quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### **1.16 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the Shares Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will detailed the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be despatched by Link Market Services and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Holders at the end of any calendar month during which the balance of their holdings changes. Holders may request a statement at any other time. However, a charge may be made for additional statements.

### **1.17 Residents outside Australia and New Zealand**

The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand. The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders outside Australia and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

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 other than for Shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand. Where the Prospectus has been despatched to Shareholders domiciled outside Australia or

New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **1.18 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

#### **1.19 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the period ended 30 June 2014 is in the Annual Report which is available on the Company's website at [www.whlenergy.com](http://www.whlenergy.com).

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the period ended 30 June 2014 with ASX on 23 September are listed in Section 6.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

#### **1.20 Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance.



An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

#### **1.21 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Link Market Services by telephone on 1800 250 297.

## 2. Effect of the Offers

### 2.1 Capital structure on completion of the Offers

	Number of Shares	Number of Options	Number of Performance Rights
Balance at the date of this Prospectus	1,624,248,384	598,134,157 <sup>(1)</sup>	16,400,000 <sup>(2)</sup>
To be issued under the Entitlement Offer	487,274,515 <sup>(3)</sup>	324,849,676 <sup>(3)</sup>	-
To be issued under the Lead Manager Offer	-	15,000,000 <sup>(4)</sup>	-
<b>Balance after the Offers</b>	<b>2,111,522,899</b>	<b>937,983,833</b>	<b>16,400,000</b>

Notes:

- (1) Comprising:
- 401,734,157 Existing Listed Options;
  - 3,400,000 unlisted Options which automatically convert into Shares on 1 July 2015 for nil exercise price, held by 2 non-related party employees of the Company; and
  - 193,000,000 unlisted Options with an exercise price of \$0.014 per Option and an expiry date of 3 December 2017.
- (2) Comprising:
- 11,600,000 Performance Rights which automatically convert into Shares on 1 July 2015 for nil exercise price; and
  - 4,800,000 Performance Rights which automatically convert into Shares on 1 July 2014 for nil exercise price.
- (3) Assumes that the Entitlement Offer is fully subscribed.
- (4) Refer to Section 6.1.

As announced on 22 September 2014, the Company plans to undertake a 1 for 10 consolidation of Shares, subject to Shareholder approval to be sought at the general meeting intended to be held by the Company on 26 November 2014 (**Consolidation**). It is intended that the record date for the Consolidation will be 1 December 2014. In accordance with Listing Rule 7.22.1, all Options and Performance Rights will also be consolidated in the same ratio as Shares and the exercise price will be amended in inverse proportion to that ratio. Upon completion of the Consolidation the capital structure of the Company will be as follows:

	Number of Shares	Number of Options	Number of Performance Rights
<b>Balance prior to Consolidation</b>	<b>2,111,522,899</b>	<b>536,249,676<sup>(1)</sup></b>	<b>16,400,000</b>
<b>Balance after the Consolidation</b>	<b>211,152,290<sup>(1)</sup></b>	<b>93,798,384<sup>(1)</sup></b>	<b>1,640,000<sup>(1)</sup></b>

Notes:

- (1) Assumes that all Existing Listed Options are not exercised before their expiry date, being 30 November 2014 and that no New Listed Options are exercised before the proposed record date, being 1 December 2014.
- (2) Assumes that Shareholder approval is received for the Consolidation, and that where the Consolidation results in fractions of a Security, that Security is rounded up to the nearest whole number.

## 2.2 Pro forma consolidated statement of financial position

	Audited 30 June 2014 \$	Effect of the Entitlement Offer and Other Adjustments \$	Unaudited Pro- forma \$
<b>Current assets</b>			
Cash and cash equivalents	3,833,381	4,514,491	8,347,872
Trade and other receivables	3,920,734	(235,781)	3,684,953
<b>Total current assets</b>	<b>7,754,115</b>	<b>4,278,710</b>	<b>12,032,825</b>
<b>Non-current assets</b>			
Plant and equipment	189,203	(6,921)	182,282
Deferred exploration expenditure	23,057,576	419,255	23,476,831
<b>Total non-current assets</b>	<b>23,246,779</b>	<b>412,334</b>	<b>23,659,113</b>
<b>Total assets</b>	<b>31,000,894</b>	<b>4,691,044</b>	<b>35,691,938</b>
<b>Current liabilities</b>			
Trade and other payables	1,295,530	616,989	1,912,519
Borrowings	3,680,000	-	3,680,000
Current tax liabilities	247,706	-	247,706
Deferred revenue	140,199	(30,767)	109,432
Provisions	97,805	(3,717)	94,088
<b>Total current liabilities</b>	<b>5,461,240</b>	<b>582,505</b>	<b>6,043,745</b>
<b>Total liabilities</b>	<b>5,461,240</b>	<b>582,505</b>	<b>6,043,745</b>
<b>Net assets</b>	<b>25,539,654</b>	<b>4,108,539</b>	<b>29,648,193</b>
<b>Equity</b>			
Issued capital	62,118,536	4,672,769	66,791,305
Reserves	6,359,148	-	6,359,148
Accumulated losses	(42,938,030)	(564,230)	(43,502,260)
<b>Total equity</b>	<b>25,539,654</b>	<b>4,108,539</b>	<b>29,648,193</b>

## 2.3 Basis of Preparation and Adjustments

The above pro-forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005). The pro forma statement of financial position is based on the audited financial position as at 30 June 2014 has been adjusted to account for the following:

- (a) the issue of 487,274,515 Shares pursuant to the Entitlement Offer to raise approximately \$4,870,000 less the estimated costs of \$297,231;
- (b) the issue of 324,849,676 New Listed Options pursuant to the Entitlement Offer;
- (c) the issue of up to 15,000,000 New Listed Options to the Lead Manager pursuant to the Lead Manager Offer. Refer to Section 6.1; and
- (d) changes to a number of statement of financial position items since 30 June 2014 as a result of the normal operations of the Company. These include:
  - (i) an increase in deferred exploration expenditure of \$419,255 capitalised and a corresponding increase in creditors of \$319,759;

- (ii) a decrease in the account receivable and the expenditure charged to the income statement of \$235,781;
- (iii) expenses estimated to have been incurred for July and August 2014 of \$328,450 (comprising exploration, administration and working capital); and
- (iv) the issue of 7,011,970 Shares in August 2014 which raised \$100,000.

## **2.4 Market price of Shares**

The highest and lowest market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.015 per Share on 29 August 2014

Lowest: \$0.009 per Share on 23 September 2014

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.009 per Share on 23 September 2014.

## **2.5 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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### **3. Action required by Shareholders**

#### **3.1 Acceptance of Shares under this Prospectus**

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The entitlement of Eligible Shareholders receiving this Prospectus is shown on the Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus.

Should you wish to accept all of your Entitlement to Shares, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "WHL Energy Limited – Share Issue Account" and lodged and received at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the Company's share registry by post to:

WHL Energy Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlements upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

#### **3.2 If you wish to take up part of your entitlement only**

Should you wish to only take up part of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions

referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.01 per Share accepted).

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "WHL Energy Ltd Share Issue Account" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by post) at the address listed in Section 3.1.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlements upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

### **3.3 Shortfall Shares**

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant sections of the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form (refer to Section 1.6). Any Shares applied for in excess of your Entitlement will be made under the Shortfall Offer and will be issued at the complete discretion of the Directors. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "WHL Energy Ltd Share Issue Account" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by post) at the address listed in Section 3.1.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted any Shortfall Shares applied for in excess of your Entitlement (subject to the complete discretion of the Directors to issue Shortfall Shares) upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY®

then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

If paying via BPAY®, shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **3.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything.

The number of Shares you currently hold and the entitlement attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement.

### **3.5 Enquiries concerning your Entitlement**

If you have any queries concerning your Entitlement please contact Link Market Services Limited on 1800 250 297 or 02 8767 1309.

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## **4. Risk Factors**

### **4.1 Introduction**

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

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

### **4.2 Company specific**

#### **(a) New Projects and Acquisitions**

The Company is actively pursuing and assessing other new acquisition and investment opportunities in the oil and gas sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and/or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects, which may result in the Company reallocating funds from those projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the projects, such as a lack of prospectivity, will remain.

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction (which is likely) and/or changes the Company's capital/funding requirements.



Should the Company propose or complete the acquisition of a new project, investors should re-assess their investment in the Company in light of the new project.

The additional risk associated with acquisition plans will include but are not limited to:

- (i) geopolitical risks with the entry to a new country including local requirement, including fiscal stability risks;
- (ii) operations potentially in a non-English speaking country;
- (iii) unclear requirements in terms of taxation or environmental obligations as local laws might be incomplete or have alternative outcomes;
- (iv) title risk over whether existing partners are eligible to have clear title for a permit, including matters of sovereign territorial claims; and
- (v) the risks associated with a new geological area that might have limited information regarding prospectivity in terms of resources.

(b) Additional Requirements for Funding

The Company's funding requirements depend on numerous factors including the Company's ability to further farm down its interests in its existing projects, the results of joint venture operations, future exploration and work programs and the acquisition of new projects. The Company expects, in the future, that it will require further funding (in addition to current cash reserves) to fund its exploration activities.

The Company's funding requirements in respect to its existing projects are dependant upon the determinations of the Company's joint venture partners as to whether they will continue to participate in and contribute to funding of, the Company's projects (refer to Section 4.2(e) below). If the Company does identify and acquire interests in other suitable projects, it will be required to undertake further fundraising in order to proceed to earn-in or acquire an interest in the projects.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. 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 or anticipated expansion.

(c) Extraterritorial Risks

The Company has interests in assets overseas and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the

incurring of additional costs with respect to overseeing and managing the same, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in that jurisdiction and/or infrastructure as necessary. Fluctuations in the currency of the relevant jurisdiction may also affect the dealings and operations of the Company in such jurisdiction.

(d) Foreign Exchange Risk

The current operations of the Company are in Australia and the Seychelles and some of the costs of operations will be in Seychelles rupee while the majority of costs and revenues will be in United States Dollars. As the Company's financial reports will be presented in Australian dollars, the Company will be exposed to the volatility and fluctuations of the exchange rate between the Seychelles rupee, United States dollars and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

(e) Joint Venture Risk

The current operations of the Company are focussed on assets that are subject to farm-out/joint venture agreements with third parties. Issues arising with these third parties and their ability to perform the obligations due under the farm-out/joint venture agreements could have a material impact on the assets and financial position of the Company. This impact could include the potential withdrawal of the Company's permits to operate certain assets if the work commitments are not performed within the current agreed timetables associated with the agreed work programmes. The specific risks for each of the Company's key projects is as follows:

(i) Seychelles Project

The Company's interest in the Seychelles Project has been farmed out to Ophir, a London listed entity with a substantial market capitalisation. The farm-out agreement with Ophir, which is approved by the Seychelles Government, includes the following key terms:

- (A) for a 75% interest, Ophir was required to complete a 1,500 km<sup>2</sup> seismic acquisition programme up to a value of US\$17.0 million that has now been substantially completed. Subject to the interpretation of that data, Ophir has the ability to either elect to either proceed to the drilling phase or exit the Seychelles Project. Should Ophir elect to not proceed to undertake drilling in respect to the Seychelles Project (and thereby exit), the underlying

permit will terminate and the acreage will return to the Seychelles regulator; and

- (B) if Ophir proceed to drilling, there is an additional commitment to fund a further 1,000 km<sup>2</sup> seismic acquisition programme up to a value of US\$10 million. The farm-out agreement also requires Ophir to drill a well before 31 July 2016, carry up to 90% of the costs to a limit of US\$30 million and pay the Company a further US\$2 million for past cost recovery.

There are two major risks associated with the Seychelles Project:

- (A) the risk of cost over-runs in both the second seismic acquisition and the drilling phase. In both cases any cost over-run will need to be funded by the Company up to 25% above the agreed “carry” values. Pursuant to the farm-out agreement with Ophir, if the Company is unable to fund its portion of the cost over-runs, its working interest in the Seychelles Project will transfer to Ophir; and
- (B) Ophir may elect not to proceed, following which the Company will be required to relinquish its interest in the Seychelles Project.

(ii) VIC/P67 Project

The Company's interest in the VIC/P67 Project has been farmed out to AWE, an Australian listed entity with a substantial market capitalisation. Under the farm-out agreement, AWE has the ability to earn up to 60% working interest in the VIC/P67 Project by funding 75% of the cost of the La Bella 3D seismic survey up to a cost cap of US\$9 million. This survey has now been substantially completed. Should AWE remain as a participant in the VIC/P67 Project, it will have the right, following the 3D seismic phase, to assign half of its working interest back to the Company and to take over operatorship. The Company will continue to be the operator until the election, which will take place in late October 2014.

Should AWE elect not to exercise their 60% earn-in right and proceed as operator there are two possible outcomes. AWE may choose to return its entire 60% working interest in the VIC/P67 Project to the Company, or alternatively, AWE may elect to reduce its working interest to 30% for the exploration drilling phase and also assume operatorship. The transfer of operatorship to AWE is essential in order for the joint venture to proceed as the Company will not satisfy the financial requirements to obtain a drilling permit for the VIC/P67 Project.

The Company has also executed a seismic option with Tap Oil Ltd (**Tap**), wherein Tap have the ability to fund 20% of the first well costs for the benefit of the Company to increase their working

interest in the VIC/P67 Project to 15%. Alternatively Tap may also elect to remain at 10% working interest or even withdraw from the joint venture.

Should AWE proceed, the Company considers it likely that Tap would at least proceed to the drilling phase. The Company has commenced a data-room to actively market its remaining working interest with the goal of reducing its working interest further to be funded through the exploration drilling phase.

The Company has a number major risks associated with the VIC/P67 Project, including the following:

- (A) the risk of being unable to find a further farm-out partner to fund the exploration drilling phase and, if necessary, a further participant should AWE elect to reduce its working interest to 30% or relinquish it in full;
- (B) cost over-runs in the exploration drilling phase, which would require any cost over-run to be funded by the Company up to its level of working interest (subject to the final farm-out round). Pursuant to the farm-out agreement, if the Company is unable to fund its portion of the cost over-runs its working interest will be diluted;
- (C) if AWE elects not to proceed, the Company may be required to fund the full commitment for the VIC/P67 Project, which will require the Company to identify and agree terms with a suitable new joint venture partner. Given recent upgrades to the prospective resource numbers for the permit, the Company considers that it may be able to identify, and agree terms with, a new joint venture partner or partners, however any delay in doing so will risk in the Company being deemed in bad standing for completing the work program late; and
- (D) the failure of a present (and possible future) farm-in partner to be able to satisfy, for whatever reason, their funding commitments.

#### **4.3 Industry specific**

##### **(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; and
- (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 Risk

The Company's activities are subject to the environmental risks inherent in the oil and gas industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the oil and gas industry, which operations are currently in the Seychelles and Australia. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company's operational risks include environmental hazards such as accidental spills or leaks of petroleum liquids or gas, ruptures and the discharge of toxic gases. The occurrence of any such incident could result in substantial costs to the Company for environmental rehabilitation, damage control and losses.

(d) Competition

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce oil and gas, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

#### **4.4 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:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) 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) 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.

(d) Regulatory Risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in

suspension of the Company's activities or forfeiture of one or more of the tenements.

(e) Risk of international operations generally

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

#### **4.5 Speculative investment**

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 Securities offered under this Prospectus

Therefore, the Securities 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 Securities.

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



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## **5. Rights attaching to Securities**

### **5.1 Shares**

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

The Shares to be issued pursuant to this Prospectus are ordinary shares and will, as from their allotment, rank equally in all respects with all existing Shares.

The rights attaching to the Shares arise from a combination of the Constitution, statute and general law. Copies of the Constitution are available for inspection during business hours at its registered office. The Constitution has been lodged with ASIC.

A summary of the more significant rights is detailed below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

#### **(b) Reports and notices**

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and the Listing Rules.

#### **(c) General meetings**

Directors may call a meeting of Shareholders whenever they think fit. Members may call a meeting as provided by the Corporations Act. All Shareholders are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a company) to speak and to vote at general meetings of the Company.

#### **(d) Voting**

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or

representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

(e) Dividends

The Directors may declare and authorise the distribution from the profits of the Company, dividends to be distributed to shareholders according to their rights and interests. The Directors may determine the property to constitute the dividend and fix the time for distribution. Except to the extent that the terms of issue of shares provide otherwise, each dividend must be distributed according to the amount paid up on the Share in a manner calculated in accordance with the Constitution.

(f) Winding up

Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders. Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) distribute among shareholders the whole or any part of the property of the Company; and
- (ii) decide how to distribute the property as between the holders of different classes of shares.

The liquidator of the Company may settle any problem concerning a distribution.

(g) Transfer of shares

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

(h) Issue of further shares

The Directors may, subject to any restrictions imposed by the Constitution and the Corporations Act, allot, issue, grant options over, or otherwise dispose of, further shares with or without preferential rights on such terms and conditions as they see fit.

(i) Directors

The business of the Company is to be managed by or under the direction of the Directors.

Directors are not required under the Constitution to hold any Shares.

Unless changed by the Company in general meeting, the minimum number of Directors is 3 and the maximum is 10. The existing Directors may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director).

The Constitution contains provisions relating to the rotation and election of directors. No Director may hold office later than the third annual general meeting after his or her appointment or election, without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed director must be received at the Company's registered office 35 business days prior to the meeting.

(j) Offer of shares

Subject to the requirements of the Corporations Act and if applicable, the Listing Rules, the issue of shares by the Company is under the control of the Directors. Under the Constitution the Company is empowered, without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, to issue shares with preferred, deferred or other rights.

(k) Variation of shares and rights attaching to shares

Shares may be converted or cancelled with member approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act.

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(l) Unmarketable parcels

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

(m) Share buy-backs

The Company may buy-back Shares in itself in accordance with the provisions of the Corporations Act.

(n) Indemnity and insurance of officers

Under the Constitution, the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

To the extent permitted by law, the Company may also pay the premium on any insurance policy for any person who is or has been, an officer against a liability incurred by that person in his or her capacity as an officer of the Company, provided that the liability does not arise out of conduct involving a wilful breach of duty.

(o) Changes to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(p) Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Constitution will be deemed to comply with the Listing Rules, as amended from time to time.

## 5.2 Rights attaching to New Listed Options

The New Listed Options to be issued pursuant to this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) subject to paragraph (k), each New Listed Option gives the Optionholder the right to subscribe for one Share;
- (b) the New Listed Options will expire at 5.00pm (WST) on 30 November 2016 (**Expiry Date**). Any New Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date;
- (c) the amount payable upon exercise of each New Listed Option will be \$0.018 (**Exercise Price**);
- (d) the New Listed Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (e) an Optionholder may exercise their New Listed Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of New Listed Options specifying the number of New Listed Options being exercised; and

- (ii) a cheque or electronic funds transfer for the Exercise Price for the number of New Listed Options being exercised,

(the **Exercise Notice**);

- (f) an Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds;
- (g) within 10 Business Days of receipt of the Exercise Notice, the Company will allot the number of Shares required under these terms and conditions in respect of the number of New Listed Options specified in the Exercise Notice;
- (h) the Company will apply for quotation of the New Listed Options on ASX and all New Listed Options are freely transferable;
- (i) all Shares allotted upon the exercise of New Listed Options will upon allotment rank pari passu in all respects with other Shares;
- (j) the Company will apply for quotation of all Shares allotted pursuant to the exercise of New Listed Options on ASX within 10 Business Days after the date of allotment of those Shares;
- (k) if at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a matter consistent with the Corporations Act and the Listing Rules at the time of the reconstruction;
- (l) there are no participating rights or entitlements inherent in the New Listed Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Listed Options; and
- (m) subject to paragraph (k), a New Listed Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the New Listed Options can be exercised.

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## 6. Additional information

### 6.1 Lead Manager Mandate

On 18 September 2014, the Company entered into an agreement with PAC Partners Pty Ltd (**Lead Manager**), pursuant to which PAC was appointed as lead manager to the Company for the Entitlement and Shortfall Offers (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Lead Manager will receive a fee of 2% of the total value of the funds raised in Australia under the Entitlement and Shortfall Offers and a further 4% of the total value of funds raised in Australia from any Shortfall Offer excluding funds raised from existing Shareholders, plus GST. The Lead Manager will also receive up to 15,000,000 New Listed Options.

This Prospectus also includes an offer of the New Listed Options received by the Lead Manager to certain of its nominees (**Lead Manager Offer**).

The Lead Manager Mandate contains other standard terms and conditions expected to be in an agreement of this nature.

### 6.2 Purpose of this Prospectus

This Prospectus has been issued to:

- (a) facilitate secondary trading of the New Listed Options to be issued under the Offers. A prospectus is required under the Corporations Act to enable persons who are issued the New Listed Options to on-sell those New Listed Options within 12 months of their issue. The Company will not issue the New Listed Options with the purpose of the persons to whom they are issued selling or transferring those New Listed Options, or granting, issuing or transferring interests in those New Listed Options within 12 months of the issue, but this Prospectus provides them the ability to do so should they wish; and
- (b) facilitate secondary trading of the Shares to be issued upon exercise of the New Listed Options to be issued under the Offers. Issuing the New Listed Options under this Prospectus will enable persons who are issued the New Listed Options to on-sell the Shares issued on the exercise of the New Listed Options pursuant to ASIC Class Order [CO 04/671].

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offers;
- (b) ensure that the on-sale of the New Listed Options does not breach section 707(3) of the Corporations Act; and
- (c) ensure that the on-sale of the underlying Shares to be issued upon exercise of the New Listed Options is in accordance with ASIC Class Order [CO 04/671].

### 6.3 Directors' interests in Securities

The Directors or their nominees currently each hold Shares and Options as follows:

Director	Shares Held	Existing Listed Options Held	Performance Rights Held
Mr Faldi Ismail	3,200,000	Nil	4,800,000
Mr David Paul Rowbottam	12,109,090	Nil	6,800,000
Mr Stuart Anthony Brown	3,200,000	Nil	4,800,000

### 6.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

Documents that the Company is required to lodge with ASX include:

- (a) quarterly activities and cashflow reports, to be provided to the ASX within a specified time at the end of each quarter;
- (b) half yearly reports and preliminary financial statements, to be provided to the ASX within a specified time of the end of each half and full year accounting period respectively; and
- (c) financial statements, to be lodged with the ASX within a specified time after the end of each accounting period.

### 6.5 Copies of documents

Copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporation Act) may be obtained from, or inspected at, an office of ASIC.

The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of the Annual Report of the Company for the period ended 30 June 2014 being the last financial period for which an annual financial report was lodged with ASIC in relation to the Company before the issue of this Prospectus.

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the Australian registered office of the Company at Level 2, 22 Delhi Street, West Perth:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.13 and the consents provided by the Directors to the issue of this Prospectus.

#### **6.6 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be detailed in this Prospectus.

#### **6.7 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

#### **6.8 Directors' interests**

Except as disclosed in this Prospectus, no Director or proposed director, and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Entitlement Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Entitlement Offer.

#### **6.9 Directors remuneration**

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine. An aggregate annual amount of up to \$400,000 as non-executive Directors' fees was approved in the annual general meeting held in November 2011. The following table shows the total remuneration, including Directors' fees, paid to Directors since 1 July 2013.



Director		Directors Fees and Salary \$	Super-annuation \$	Equity based payments \$	Other benefits \$	Total \$
Mr Benson <sup>(1)</sup>	2014	18,188	1,682	-	40,000	59,870
	2013	72,750	6,548	-	-	79,298
Mr Brown	2014	27,261	1,891	40,010	-	69,162
	2013	-	-	-	-	-
Mr Ismail	2014	55,681	-2,884	43,929	-	102,494
	2013	-	-	-	-	-
Mr King <sup>(2)</sup>	2014	24,076	-	-	-	24,076
	2013	32,990	-	-	-	32,990
Mr Noske <sup>(3)</sup>	2014	87,034	4,444	-	93,251	184,729
	2013	586,530	16,470	281,600	60,806	975,406
Mr Rowbottom	2014	361,064	17,775	146,619	7,719	533,177
	2013	316,886	16,470	188,460	86,455	608,271
Mr Schrull <sup>(4)</sup>	2014	7,661	790	-	-	8,370
	2013	-	-	-	-	-
Dr Wulff <sup>(5)</sup>	2014	-	-	-	-	-
	2013	16,775	1,510	-	-	18,285

Notes:

- (1) Resigned 23 August 2013.  
(2) Resigned 9 December 2013.  
(3) Resigned 23 August 2013.  
(4) Resigned 18 August 2014.  
(5) Resigned 22 October 2013.

## 6.10 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other 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 has, and has not had in the two years before the date of this Prospectus, any interests in:

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

and no amounts have been paid or agreed to be paid (in cash or Securities or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Hardy Bowen will be paid \$15,000 (plus GST) in fees for legal services as at the date of this Prospectus in connection with the Offers.

## 6.11 Expenses of Offer

The estimated expenses of the Offers are as follows:

	Offer
	\$
ASIC Lodgement fee	2,290
ASX quotation fee	19,540
Legal and preparation expenses	20,000
Share Registry, printing, mailing and other expenses	41,000
Lead Manager fees	<u>214,401</u>
<b>Total</b>	<u>297,231</u>

## 6.12 Electronic prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company on +61 8 6500 0271 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.whlenergy.com](http://www.whlenergy.com).

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance 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.

## 6.13 Consents

Other than as detailed below, each of the parties referred to in this Section 6.13:

- (a) 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;

- (b) 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
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

Hardy Bowen has given and has not before the date of this Prospectus withdrawn its written consent to be named as legal adviser to the Company as to matters of Australian law.

Link Market Services Limited has given and has not before the date of this Prospectus withdrawn its written consent to be named as share registry to the Company in the form and context in which it is named.

PAC Partners Pty Ltd has given and has not before the date of this Prospectus withdrawn its written consent to be named as lead manager to the Company in the form and context in which it is named.

#### **6.14 Withdrawal**

The Company reserves the right to withdraw the Entitlement Offer and the Shortfall Offer at their discretion, subject to any restrictions imposed by the Corporations Act and the Listing Rules.

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## 7. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

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



David Rowbottam  
**Managing Director**

Dated: 24 September 2014

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## 8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars (unless otherwise indicated).

**Acceptance** means a valid acceptance of Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

**Accounting Standards** has the meaning given in the Corporations Act.

**AFSL** means Australian Financial Services Licence.

**AIM** means the alternative investment market of the London Stock Exchange.

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the period ended 30 June 2014.

**Applicant** means a person who submits a Form.

**Application** means a valid application for Securities made on a Form.

**Application Monies** means application monies for Shares received by the Company from an Applicant.

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

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

**AWE** has the meaning given in Section 1.2(c).

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means the date identified in the Indicative Timetable.

**Consolidation** has the meaning given in Section 2.1.

**Constitution** means the constitution of the Company.

**Company** or **WHL** means WHL Energy Limited ACN 113 326 524.

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

**Directors** mean the directors of the Company at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia and New Zealand.

**Entitlement** means a Shareholder's entitlement to participate in the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form sent with this Prospectus that sets out the entitlement of Shareholders to subscribe for Shares pursuant to the Entitlement Offer.

**Entitlement Offer** has the meaning given in Section 1.1.

**Existing Listed Option** means an existing Option listed on the ASX each having an exercise price of \$0.04 and an expiry date of 30 November 2014.

**Holder** means a holder of Securities.

**Indicative Timetable** means the indicative timetable detailed on page iv of this Prospectus.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Lead Manager** has the meaning given in Section 6.1.

**Lead Manager Mandate** has the meaning given in Section 6.1.

**Lead Manager Offer** has the meaning given in Section 6.1.

**Listing Rules** means the official listing rules of ASX.

**New Listed Option** means an Option issued under the Offers.

**Offer** means the Entitlement Offer, Lead Manager Offer and/or the Shortfall Offer (as applicable) and **Offers** means all of them.

**Opening Date** means the date identified in the Indicative Timetable.

**Ophir** has the meaning given in Section 1.2(c).

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

**Optionholder** means a holder of Options.

**Performance Rights** means a right which entitles the holder to be issued a Share on the satisfaction of certain vesting conditions.

**Prospectus** means this prospectus dated 24 September 2014.

**Record Date** means 5.00pm (WST) on the date identified in the proposed timetable.

**Section** means a section of this Prospectus.

**Securities** mean any securities including Shares or Options issued or granted by the Company.

**Seychelles Project** means the oil and gas project located in the Seychelles.

**SGX** means securities exchange operated by Singapore Exchange Limited.

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

**Shareholder** means a holder of Shares.

**Shortfall** means the Securities not subscribed for by Eligible Shareholders under the Entitlement Offer (if any).

**Shortfall Offer** has the meaning given in Section 1.6.

**Shortfall Shares** means Shares not subscribed for by Eligible Shareholders under the Offer or by holders of Entitlements before the Closing Date.

**US** means the United States of America, its territories and possessions, any State in the United States of America and the District of Columbia.

**VIC/P67 Project** means the VIC/P67 offshore oil and gas project located in the Otway Basin.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

