

Prominence Energy NL

ACN 009 196 810

PROSPECTUS

For an offer of up to 1,000 Listed Options each at an issue price of \$0.01 to raise up to \$10 (before costs)

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE PLACEMENT OPTIONS, WINFORM OPTIONS AND ADVISOR OPTIONS

THE OFFER CLOSSES AT 5.00PM AWST ON 23 DECEMBER 2020

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Listed Options under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE LISTED OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

This Prospectus is dated 22 December 2020 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Listed Options 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 registered office of the Company at Level 2, 30 Richardson Street, West Perth, Western Australia 6005 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.4).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Listed Options offered by this Prospectus.

The Listed Options offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Listed Options will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the 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 Offer.

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

This document is important and should be read in its entirety before deciding to participate in the Offer. This document 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 their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 2.

By returning an Application 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.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

CORPORATE DIRECTORY

Directors

Ian McCubbing
Alexander Parks
Patrick Glovac

Company Secretary

Anna Mackintosh

Registered Office

Level 2, 30 Richardson Street
West Perth, Western Australia 6005
Telephone: +61 8 9321 9886
Facsimile: +61 8 9321 8161

ASX Code: PRM

Website:

www.ProminenceEnergy.com.au

Share Registry*

Computershare Investor Services Pty Limited
Level 11,172 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

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

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1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus up to 1,000 Listed Options each at an issue price of \$0.01 exercisable at \$0.02 on or before 1 September 2023 to raise a total of up to \$10 (before costs) (**Offer**).

The Offer is not underwritten.

Refer to Section 4.2 for the terms and conditions of the Listed Options. See Section 4.1 for a summary of the rights attaching to Shares issued on exercise of the Listed Options.

1.2 Background

The Company has agreed, subject to Shareholder approval, to grant the Placement Options, Advisor Options and Winform Options as detailed below.

Each of the Placement Options, Advisor Options and Winform Options have an exercise price of \$0.02 and expiry date of 1 September 2023 and will be in the same class as the Company's existing listed Options.

(a) Placement Options

On 31 July 2020, the Company announced a placement to professional and sophisticated investors of 30,000,000 Shares each at an issue price of 0.5 cents per Share together with, subject to Shareholder approval, 15,000,000 free-attaching Placement Options on the basis of one Placement Option for every two Shares subscribed for to raise \$150,000 before costs (**Placement**).

On 12 August 2020, the Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1. The Placement was followed by a rights issue to Shareholders which was oversubscribed and raised approximately \$1.2 million before costs (**Rights Issue**).

(b) Advisor Options

GTT acted as lead manager to the Placement and Rights Issue and received a 6% fee on funds raised. The Company also agreed, subject to Shareholder approval, to grant 50,000,000 Advisor Options to GTT (or its nominee) as a fee for such services.

(c) Winform Options

The Company has reached a settlement agreement with Winform Nominees pursuant to which Winform Nominees has agreed to release the Company from its obligations under a Converting Loan Agreement entered into by Winform Nominees and the Company in February 2015. Further details are in the Company's notice of annual general meeting dated 26 October 2020.

Under the terms of the Company's settlement agreement with Winform Nominees, the Company has paid Winform Nominees \$150,000 from proceeds of the Placement and Rights Issue, granted a 1% royalty over production from the Bowsprit Project and agreed, subject to Shareholder approval, to grant Winform Nominees (or its nominee) a total of 15,000,000 Winform Options.

Shareholders approved the issue of the Placement Options, Advisor Options and Winform Options at the Company's annual general meeting held on 27 November 2020.

The Company is proposing to issue these Options on or about the date of this Prospectus.

1.3 Purpose of the Offer

This Prospectus has been issued to facilitate secondary trading of the Placement Options, Winform Options and Advisor Options as they have or will be issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued the Placement Options, Winform Options and Advisor Options to on-sell such Options within 12 months of their issue.

The Company did not issue the Placement Options, Winform Options and Advisor Options with the purpose of the persons to whom they were issued selling or transferring their securities, or granting, issuing or transferring interests in those securities within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Placement Options, Winform Options and Advisor Options does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.4 Opening and Closing Dates

The Company will accept Application Forms from the date of this Prospectus until 5.00pm AWST on the Closing Date, being Wednesday, 23 December 2020, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.5 Minimum subscription

There is no minimum amount sought to be raised by the Offer. If the Offer is fully subscribed, the Offer will raise \$10 (before costs of the Offer). The Company will proceed to issue the Listed Options if a lesser amount is raised and irrespective of the amount raised. The Company intends to issue the Listed Options progressively as Applications are received and in any event, will issue all Listed Options as soon as possible after the Closing Date.

There is no provision for oversubscriptions.

1.6 Application Forms

If you wish to subscribe for Listed Options pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "Prominence Energy NL – Application Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms must be received by the Company prior to 5.00pm (AWST) on the Closing Date. Application Forms should be mailed or delivered to Prominence Energy NL, Level 2, 30 Richardson Street, West Perth, Western Australia 6005.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Listed Options accepted by the Company. The Application Form does not need to be signed to be a binding application for of Shares.

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

1.7 Issue and dispatch

The Company may issue the Listed Options progressively as Applications are received. Securityholder statements will be dispatched as soon as possible after the issue of the Listed Options.

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

1.8 Application Monies held on trust

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

1.9 ASX quotation

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

1.10 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 ASX Settlement Operation Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Listed Options 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 Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

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

1.11 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Listed Options in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Listed Options. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into

possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.12 Risk factors

An investment in Listed Options 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 in Section 2.

1.13 Taxation implications

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

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

1.14 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2020 is in the Annual Report which was lodged with ASX on 23 October 2020 and is available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 23 October 2020 are listed in Section 4.4.

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

1.15 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9321 9886.

1.16 Privacy

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

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out 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 Application Form, the Company may not be able to accept or process your application.

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.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors associated with an investment in the Company. Securityholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Future capital needs and financing

The Company does not currently have any operating revenue. Accordingly, it must continue to fund its activities and overheads through its cash reserves, equity capital or debt. The continued viability of the Company is therefore dependent upon the success of its ability to secure future financing or generate income from activities which the company cannot forecast with any certainty. There can be no guarantee that the Company will be able to successfully raise further funds in the future. Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop projects and the Company may be required to reduce the scope of its operations or anticipated expansion. Accordingly, the ability for the Company to continue as a going concern is contingent on the raising of further debt or equity funds in the future.

(b) Current assets

A number of specific risk factors that may impact the future performance of the Company are described below. Securityholders should note that this list is not exhaustive.

The Company's primary project is the Bowsprit Project located in the shallow inland waters offshore Louisiana. Specific risks relating to this project include:

- (i) the cash reserves currently available to the Company will be insufficient to fund the Company through the full development of the project and the Company will require further funds via a farm out and/or a further capital raising to drill the project;
- (ii) a farm out cannot be achieved in the time frame contemplated or that market conditions (low oil price, market weakness etc.) will not be conducive to a capital raise. Without further funds the Company will deplete its cash reserves;
- (iii) the well costs may exceed the budget or the Company's funding capability or that the Company may be unable to raise the funds to pay for the production facilities;
- (iv) the Company's view of the project will be based on data acquired from ~1960 to 1990 and limitations contained therein;
- (v) on drilling the reservoir, the field may not flow oil as forecast, either a lower oil rate, with too much associated water or mechanical failure in the well; and
- (vi) the oil price may drop to a level that the project is deemed sub commercial.

(c) Operational Risks

The general business of the Company is exploration for, and commercial development of, conventional and unconventional oil reservoirs, which is subject to the risks inherent in these activities. The current and future operations of the Company may be affected by a range of factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to exploration programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in, drilling, development, production and treatment activities;
- (v) mechanical failure of plant and equipment;
- (vi) adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) unavailability of drilling, processing and other equipment;
- (viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- (ix) prevention of access by reason of inability to obtain regulatory or landowner consents or approvals;
- (x) terms imposed by government on development of production-related projects including conditions such as environmental rehabilitation and taxes; and
- (xi) delays in completing feasibility studies and obtaining development approvals.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities.

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

(d) Compliance Risk

The Company holds an interest in various Petroleum tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the drilling commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk that the terms and conditions attaching to each of the tenements it has an interest in are not complied with.

(e) Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(f) Country Risk

The Company holds interest in assets located in USA but may acquire assets in foreign countries in the future. Operations by the Company may require approvals from regulatory authorities which include renewals of existing service contracts, licences or permits, which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company.

While the Company has no reason to believe that all requisite approvals will not be forthcoming and while the Company's obligations for expenditure will be predicated on any requisite approvals being obtained it should be understood that the Company cannot guarantee that any requisite approvals will be obtained. A failure to obtain any approvals would mean the ability of the Company to develop or operate any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

Additionally, there are risks associated with exploration and production activities and investments generally in foreign countries that may adversely affect the business, costs, expenditure and profitability of the Company. These risks include:

- (i) changes in foreign country government, government policies, regulatory regime, economic change, civil instability, attitudes towards foreigners or their businesses in their country;
- (ii) land access and environmental regulation may be adverse or beneficial; and
- (iii) the applicable legal regime including investment into and repatriation of revenue out of the foreign country.

(g) Environmental

The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control. The conduct of exploration and production activities, if any ultimately takes place, on the Company's properties is subject to receipt of all necessary environmental approvals. There can be no guarantee that such approvals will be forthcoming and the conditions imposed for the grant of such approvals may be so onerous that they render the project uneconomic.

(h) Insurance

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

2.2 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and securities price may be affected by these factors, as well as by fluctuations in the price of commodities, which are beyond the Company's control.

(b) COVID-19 risk

The outbreak of the novel coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(c) Changes in Legislation and Government Regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) Competition for Projects

The Company competes with other companies, including petroleum exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies. In the event that the Company is not able to secure a new project or business opportunity this may have an adverse effect on the operations of the Company, its possible future profitability and the trading price of its securities, including the Securities offered under this Prospectus.

(e) Commodity Price Volatility and Exchange Rate Risk

If the Company achieves success leading to oil production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and South Korean currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and Korean Won as determined in international markets.

(f) Reliance on Key Personnel

The Company's success depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate, in the petroleum industry and the Company's ability to find and retain key executives.

(g) Share market Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Financial Information

3.1 Capital Structure on completion of the Offer

Shares	Number
Shares on issue at date of Prospectus ¹	490,072,072

Options	Number
Listed Options (PRMOB) exercisable at \$0.02 on or before 1 September 2023	120,395,580
Placement Options exercisable at \$0.02 on or before 1 September 2023	15,000,000
Advisor Options exercisable at \$0.02 on or before 1 September 2023	50,000,000
Winform Options exercisable at \$0.02 on or before 1 September 2023	15,000,000
Unlisted Options exercisable at \$0.04 on or before 31 December 2020	30,358,329
Listed Options under this Offer (if fully subscribed)	1,000
Total Options	230,754,909

Performance Shares	Number
Managing Director Performance Shares ²	2,250,000
Total Performance Shares	2,250,000

Notes:

1. Assumes no Options currently on issue are exercised prior to the date of this Prospectus.
2. Comprised of:
 - a. 750,000 Performance Shares that vest and convert into Shares on successful farming out of the Bowsprit-1 well; and
 - b. 1,500,000 Performance Shares that vest and convert into Shares on achieving 60 days of commercial production from the Bowsprit project within a 75 day period.

3.2 Pro forma statement of financial position

	Audited Consolidated 30 June 2020 \$	Management Reviewed Consolidated 30 Nov 2020 \$	Issue of Placement Options, Advisor Options and Winform Options	Pro-Forma Unaudited Consolidated 30 Nov 2020 \$
ASSETS				
Current Assets				
Cash and cash equivalents	58,501	646,499	-	705,000
Other receivables	27,599	-		27,599
Total Current Assets	<u>86,100</u>	<u>646,499</u>	-	<u>732,599</u>
Non-Current Assets				
Exploration and Evaluation Expenditure	1,150,351	78,712		1,229,063
Total Non-Current Assets	<u>1,150,351</u>	<u>78,712</u>	-	<u>1,229,063</u>
Total Assets	<u>1,236,451</u>	<u>725,211</u>	-	<u>1,961,662</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	1,706,111	(434,664)	-	1,271,447
Borrowings	1,705,164	(1,550,484)		154,680
Provisions	29,726	-		29,726
Total Current Liabilities	<u>3,441,001</u>	<u>(1,985,148)</u>	-	<u>1,455,853</u>
Total Liabilities	<u>3,441,001</u>	<u>(1,985,148)</u>	-	<u>1,455,853</u>
Net Assets	<u>(2,204,550)</u>	<u>2,710,359</u>	-	<u>505,809</u>
EQUITY				
Contributed Capital	120,483,368	1,896,173	-	122,374,166
Share Based Payment Reserves	12,995,472	-	240,000	13,235,472
Foreign exchange translation Reserve	17,868,930	-	-	17,868,930
Accumulated losses	(153,552,320)	814,187	(240,000)	152,972,758
Total Equity	<u>(2,204,550)</u>	<u>2,710,359</u>	-	<u>505,809</u>

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing Pro-Forma Financial Information.

The management-reviewed consolidated statement of financial position as at 30 November 2020 has been prepared using audited accounts as at 30 June 2020 to provide Securityholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Pro-forma Adjustments

The management-reviewed consolidated statement of financial position as at 30 November 2020 and the proforma unaudited statement of financial position as at 30 November 2020 is based on the Company's audited statement of financial position as at 30 June 2020 adjusted to reflect the following material transactions.

1. Completion of Placement of 3,000,000 Shares which raised \$150,000 (before costs).
2. Completion of Entitlement Issue of 240,791,173 Shares which raised \$1,203,956 (before expenses of the Entitlements Issue).
3. Settlement of convertible notes resulting in the issue of 78,823,491 Shares on 29 July 2020 and 6,489,726 Shares on the 13 October 2020 and the financial adjustments required.
4. Winform debt restructure and the net effect of Director and management reduced fees on settlement.
5. Issue of 2,000,000 Shares in lieu of fees for services on 13 October 2020.
6. Issue of 12,000 Shares on exercise of Options.
7. Issue of 15,000,000 Placement Options, 50,000,000 Advisor Options and 15,000,000 Winform Options valued at \$0.003 per Option (based on closing price 16 Dec 2020) for a total value of \$240,000.

3.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares during the three-month period prior to the date of lodgement of this Prospectus with ASIC were:

Highest: \$0.01 per Share on 8 December 2020.].

Lowest: \$0.005 per Share on 29 October 2020.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.007 per Share on Monday, 21 December 2020.

3.4 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.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company issued on exercise of the Listed Options is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders.

These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Securityholders to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Securityholder should seek legal advice.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the Shares that may be issued on exercise of the Listed Options offered under this Prospectus will rank equally with existing Shares on issue.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the Shareholders the whole or any part of the Company's property; and
 - (ii) decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

4.2 Terms and Conditions of Listed Options

The terms and conditions of the Listed Options are set out below.

- (b) Each Option gives the holder the right to subscribe for one Share. To obtain the right given by each Option, the holder must exercise the Options in accordance with these terms and conditions of the Listed Options.
- (c) The exercise price of the Options is A\$0.02 (**Exercise Price**).
- (d) The Options are exercisable at any time prior to 5.00 pm WST on the date being 1 September 2023 (**Expiry Date**). Any Option not exercised before the relevant Expiry Date will automatically lapse on the Expiry Date.
- (e) The Options are freely transferable.
- (f) The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. Where less than 1,000 Options are held, all Options must be exercised together.
- (g) A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for the number of Options being exercised in cleared funds.
- (i) Within 10 business days of receipt of the Exercise Notice and cleared funds for the Exercise Price for the number of Options being exercised, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice. The Company will do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than five business days after issuing the Shares.
- (j) All Shares issued upon the exercise of Options will upon issue rank equally in all respects with other Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner 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 Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any issue, the record date will be after the issue is announced. This will give holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Other than pursuant to the paragraph immediately above, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of securities over which an Option is exercisable may be increased by the number of securities which the holder would have received if the Option

had been exercised before the record date for the bonus issue and no change will be made to the Exercise Price.

- (o) Subject to meeting the requirements of the Listing Rules, the Company intends to apply to ASX for official quotation of the Options.

4.3 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 securities 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.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations 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 issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2020, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows.

Date Lodged	Subject of Announcement
09/12/2020	Response to ASX Price and Volume Query
08/12/2020	Trading Halt
08/12/2020	Pause in Trading
27/11/2020	Results of Meeting
23/09/2020	Quarterly Cashflow Report
30/10/2020	Quarterly Activities Report
26/10/2020	Notice of Annual General Meeting / Proxy Form
26/10/2020	Change of Company Secretary

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 2, 30 Richardson Street, West Perth, Western Australia 6005.

- (a) this Prospectus;
- (b) Constitution; and

(c) the consents provided by the Directors to the issue of this Prospectus.

4.5 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 set out in this Prospectus.

4.6 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 Shares under this Prospectus.

4.7 Directors' interests

(a) Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

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

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	Shares	Options	Performance Shares
Ian McCubbing	20,062,514	2,291,666	0
Alexander Parks	6,750,000	3,354,166	2,250,000 ¹
Patrick Glovac	0	0	0

Notes:

1. Comprised of:
 - a. 750,000 Performance Shares that vest and convert into Shares on successful farming out of the Bowsprit-1 well; and
 - b. 1,500,000 Performance Shares that vest and convert into Shares vest on achieving 60 days of commercial production from the Bowsprit project within a 75 day period.

(c) Remuneration of Directors

The Company's Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at a general meeting. Total directors' fees to be paid to all non-executive Directors are not to exceed \$400,000 per annum as approved by Shareholders at a general meeting.

The Company's non-executive Directors, Ian McCubbing receives directors fees of \$54,750 per annum (inclusive of superannuation) and Patrick Glovac receives directors fees of \$39,420 per annum (inclusive of superannuation).

The Company's managing Director, Alexander Parks receives a fixed remuneration component (including salary and directors fees) of \$260,000 per annum (inclusive of superannuation). Mr Parks is also entitled to receive share based incentives as determined by the Board. Mr Parks was issued Performance Rights in 2017 as a long term incentive in connection with his promotion from non-executive Director to Managing Director and Chief Executive Officer.

The following table sets out the emoluments provided to the Directors and their associated entities (if applicable) during the previous two financial years, which includes directors fees, cash salary and consultancy fees, superannuation benefits and share-based payments (excluding accrued fees including accrued superannuation owed to Directors):

Director	2018/2019 financial year	2019/2020 financial year
Ian McCubbing	\$50,000	\$43,500
Alexander Parks	\$263,749	\$322,813
Patrick Glovac ¹	N/A	\$22,995

Notes:

1. Patrick Glovac was appointed Non-Executive Director on 23 August 2019.

4.8 Substantial Holders

At the date of this Prospectus, the following Shareholders are substantial shareholders of the Company.

Substantial Shareholder	Relevant Interest in No. of Shares	Voting power in Company
Fast Lane Australia Pty Ltd	79,367,704	16.20 %
GTT Global Opportunities Pty Ltd	54,148,222	11.05 %
Bellarine Gold Pty Ltd <Ribblesdale Super Fund A/C>	34,310,531	7.00 %

4.12 Interests of Named 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:

- 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 Offer or property acquired or

proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.13 ASIC Instruments

The Option Offer is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven-day period after the date of lodgement of the Prospectus with ASIC.

4.14 Expenses of issue

The estimated expenses of the issue are as follows:

	Offer
	\$
ASIC lodgement fee	3,206
Legal and advisory expenses	<u>3,000</u>
Total	<u>6,206</u>

5. Authorisation

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

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

A handwritten signature in black ink, appearing to read 'Alexander Parks', with a stylized flourish at the end.

Alexander Parks
Director

Dated: 22 December 2020

6. Glossary of Terms

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

\$ means Australian dollars.

Advisor Options means the Options each exercisable at \$0.02 on or before 1 September 2023 and otherwise granted on the terms and conditions set out in Section 4.2.

AWST means Australian Western Standard Time.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2020 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2020, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2020.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

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

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

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 set out in Section 1.4 or such later date as the Directors may determine.

Company means Prominence Energy NL ABN 69 009 196 810.

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

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date 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.

Listed Options means the Options offered pursuant to this Prospectus each exercisable at \$0.02 on or before 1 September 2023 and otherwise granted on the terms and conditions set out in Section 4.2.

Listing Rules means the Listing Rules of ASX.

Placement has the meaning in Section 1.2.

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means the right to acquire one Share.

Placement has the meaning in Section 1.2.

Placement Options means the Options each exercisable at \$0.02 on or before 1 September 2023 and otherwise granted on the terms and conditions set out in Section 4.2.

Prospectus means this prospectus.

Rights Issue has the meaning in Section 1.2.

Section means a section of this Prospectus.

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

Securityholder means a holder of Shares or Options.

Winform Options means the Options each exercisable at \$0.02 on or before 1 September 2023 and otherwise granted on the terms and conditions set out in Section 4.2.