

**BPH ENERGY LIMITED**  
**ACN 095 912 002**

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**PROSPECTUS**

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This Prospectus is being issued for offer of:

- (a) 500 Shares at an issue price of \$0.13 per Share to raise \$65 (before expenses) (**Cleansing Offer**); and
- (b) 7,285,715 Broker Options to Everblu Capital Limited and Sixty Two Capital Pty Ltd (**Broker Offer**),

(together, the **Offers**).

**This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.**

**IMPORTANT NOTICE**

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

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

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## 1. CORPORATE DIRECTORY

### Directors

David Breeze  
*Chairman and Managing Director*

Tony Huston  
*Non-Executive Director*

Charles Maling  
*Non-Executive Director*

### Company Secretary

David Breeze

### Registered Office

14 View Street  
NORTH PERTH WA 6006

Telephone: + 61 8 9328 8366  
Facsimile: +61 8 9328 8733

Email: [admin@bphenergy.com.au](mailto:admin@bphenergy.com.au)  
Website: [www.bphenergy.com.au](http://www.bphenergy.com.au)

### ASX Code

BPH

### Share Registry

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009

### Legal Advisers

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

### Auditor\*

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000

\*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

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## **2. TIMETABLE AND IMPORTANT NOTES**

### **2.1 Timetable**

<b>Action</b>	<b>Date</b>
Lodgement of Prospectus with the ASIC and ASX	8 February 2021
Opening Date	8 February 2021
Closing Date*	5:00 pm WST on 12 February 2021

\* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

### **2.2 Important Notes**

This Prospectus is dated 8 February 2021 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

The Offers are only available to those who are personally invited to accept the Offers. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and for options to acquire 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.

### **2.3 Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.bphenergy.com.au](http://www.bphenergy.com.au) and from the Company's ASX announcement platform. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

## 2.4 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
Additional Requirements for Capital and Going Concern	The Company's annual financial report for the year ended 30 June 2020 includes a note to the financial statements on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' paragraph included in the financial report, the Directors have stated that they have reviewed their expenditure and commitments and have implemented methods of costs reduction. The directors were satisfied that, the going concern basis of preparation was then appropriate. Subsequent to year end the Company has raised \$12.1 million in cash from the issue of shares under share placements, options exercise and a non-renounceable rights issue, including the amount of \$9 million announced on 3 February 2021 and the directors consider that the Company is now well funded.	Section 6.2(a)
Development and commercialisation of technologies	Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been, or will be, sufficient.	Section 6.3(a)
Research and development	The Company can make no representation that any of its research into or development of the technologies will be successful, that the development milestones will be achieved, or that the technologies will be developed into products that are commercially exploitable.	Section 6.3(b)
Oil and gas industry risks	The Company has a 22.3% interest in Advent Energy Ltd ( <b>Advent</b> ). Risks associated with this significant investment include but are not limited to risks	Section 6.3(c)

Risk	Description	Reference in Prospectus
	associated with failure to discover an economic reserve or successfully produce from a reserve, fluctuations in oil and gas prices, no guarantee of permit renewals or granting of production licences, all of which could have a material adverse effect on the Company's investment.	
Nature of the Company's existing investments	The Company's existing investments include its equity investment in Advent with a carrying value of \$2.15 million, a 20% interest in MD Systems with a carrying value of \$Nil, and a 16% interest Cortical Dynamics Ltd with a carrying value of \$3.45 million. The Company can make no representations that any of these projects will be successful, that the Company's development milestones will be achieved, or that it will develop products that are commercially exploitable.	Section 6.3(d)
COVID-19	<p>The outbreak of the 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.</p> <p>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. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of the coronavirus on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>	Section 6.4(a))

## **2.5 Overseas Investors**

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

## **2.6 Forward-looking Statements**

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

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

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

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

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

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

## **2.7 Disclaimer**

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

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### **3. DETAILS OF THE OFFERS**

#### **3.1 The Offers**

This Prospectus is for offers of:

- (a) 500 Shares to selected investors at an issue price of \$0.13 per Share to raise up to \$65 (before expenses); and
- (b) 7,285,715 Broker Options to Everblu Capital and Sixty Two Capital.

The Offers will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to the Shares is set out in Section 5.1.

The Broker Options offered under this Prospectus will be issued with the terms and conditions set out in Section 5.2.

#### **3.2 Objective of the Cleansing Offer**

The Company is seeking to raise only a nominal amount of \$65 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

#### **3.3 Objective of the Broker Offer**

On 3 February 2021, the Company announced that it intends to issue 69,230,769 Shares to sophisticated and professional investors at an issue price of \$0.13 per Share to raise \$9,000,000 (**Placement**).

For further details of the Placement please refer to Company announcement dated 3 February 2021.



The Company engaged Everblu Capital Pty Ltd (ACN 612 793 683) (AFSL 499 601) (**Everblu Capital**) to act as lead manager and place \$7,000,000 under the Placement. The Company also engaged Sixty Two Capital Pty Ltd (ACN 611 480 169) (AFSL 518 039) (**Sixty Two Capital**) to act as lead manager to place \$1,500,000 under the Placement. The balance of \$500,000 was placed by Grandbridge Securities Pty Ltd (**Grandbridge**).

In consideration for their services, Everblu Capital and Sixty Two Capital (**Lead Managers**) and Grandbridge will receive a fee equal to 6% of the funds raised by those parties.

In addition, the Company has agreed to issue an aggregate of 7,285,715 unquoted Options (**Broker Options**) to the Lead Managers, comprising:

- (a) 6,000,000 Broker Options to Everblu Capital; and
  - (b) 1,285,715 Broker Options to Sixty Two Capital,
- (together, the **Broker Offer**).

The Broker Options will be issued on the terms set out in Section 5.2.

All of the Shares issued upon the future exercise of the Broker Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 5.1 for further information regarding the rights and liabilities attaching to Shares.

### **3.4 Application Forms**

The Cleansing Offer is being extended to investors who are invited by the Company to subscribe for Shares and is not open to the general public. The Company may determine in its discretion whether to accept any or all Applications.

The Broker Offer is being extended to Everblu Capital and Sixty Two Capital only.

Applications must be made using the Application Form attached to this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form.

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 Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Securities under the Offers.

### **3.5 Minimum subscription**

There is no minimum subscription for the Offers.

### **3.6 Oversubscriptions**

No oversubscriptions will be accepted by the Company.

### **3.7 Underwriting**

The Offers are not underwritten.

### **3.8 Issue of Securities**

The issue of the Securities under the Offers will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued, and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Securities. The Directors reserve the right to reject any application or to allocate any Applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Securities is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

### **3.9 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

### **3.10 Restrictions on the distribution of the Prospectus**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and is not intended to, constitute an offer 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.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

### **3.11 Enquiries**

Any questions concerning the Offers should be directed to David Breeze, Company Secretary, on + 61 (08) 9328 8366.

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#### 4. PURPOSE OF THE OFFERS

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

The purpose of the Broker Offer is to:

- (a) ensure that the on-sale of the Broker Options do not breach section 707(3) of the Corporations Act; and
- (b) ensure that the on-sale of the underlying Shares to be issued upon the exercise of the Broker Options is in accordance with ASIC Corporations Instrument 2016/80.

#### 4.2 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares	Number
Shares currently on issue <sup>1</sup>	592,401,845
Shares to be issued pursuant to the Placement <sup>2</sup>	69,230,769
Shares offered under the Cleansing Offer <sup>3</sup>	500
<b>Total Shares on issue after completion of the Offers<sup>3</sup></b>	<b>661,633,114</b>

**Notes:**

- 1. The rights and liabilities attaching to the Shares are summarised in Section 5.1
- 2. Refer to the Company's announcement dated 3 February 2021 for further details regarding the Placement.
- 3. This assumes the Cleansing Offer is fully subscribed and no Options are exercised.

Options	Number
Listed Options exercisable at \$0.05 each on or before 29/11/2022	98,950,815
Unquoted exercisable at \$0.20 on or before 30/11/2021	200,000
Unquoted exercisable at \$0.20 on or before 30/11/2022	400,000
Unquoted exercisable at \$0.02 on or before 30/11/2024	1,200,000
Unquoted exercisable at \$0.02 on or before 20/06/2024	600,000
Unlisted Options to be issued to EverBlu Capital <sup>1,3</sup>	6,000,000
Unlisted Options to be issued to Sixty Two Capital <sup>2,3</sup>	1,285,714
<b>Total Options on issue after completion of the Offer</b>	<b>108,636,529</b>

**Notes:**

- 1. As announced on 3 February 2021, the Company has agreed to issue 6,000,000 Options to EverBlu Capital as part consideration for lead manager services provided in connection with the Placement.
- 2. As announced on 3 February 2021, the Company agreed to issue 1,285,714 Options to Sixty Two Capital as part consideration for lead manager services provided in connection with the Placement.
- 3. Exercisable at \$0.26 each on or before 8 February 2023.

### **4.3 Financial effect of the Offers**

The Cleansing Offer will result in a receipt of a total funds of \$65. No funds will be raised from the Broker Offer as the Broker Options are being issued as partial consideration for the provision of broking services provided by Everblu Capital and Sixty Two Capital Partners to the Company in relation to the Placement

After expenses of the Offers of approximately \$10,128, there will be no proceeds from the Offer. The expenses of the Offers (exceeding \$10,128) will be met from the Company's existing cash reserves.

As such, the Offers will have an effect on the Company's financial position, being receipt of funds of \$65, less costs of preparing the Prospectus of approximately \$10,128.

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

### **5.1 Rights and liabilities attaching to Shares**

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

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

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

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

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

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

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

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

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

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to Shares.

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

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 5.2 **Rights and liabilities attaching to the Broker Options**

The Options will be issued on the following terms:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 5.2(i) the amount payable upon exercise of each Broker Option will be \$0.26 (26 cents) (**Exercise Price**).

(c) **Expiry Date**

Each Option the subject of the Broker Offer will expire at 5:00 pm (WST) on or before 8 February 2023 (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).



(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation 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 without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Company will not apply for quotation of the Broker Options

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## 6. RISK FACTORS

### 6.1 Introduction

The Securities offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Investors should consider whether the Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

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

### 6.2 Company specific

#### (a) Going Concern Additional requirements for capital

The Company's yearly report for the period ended 30 June 2020 (**Annual Report**) includes a note to the financial statements on the financial condition of the Company and the existence of items of material uncertainty about the Company's ability to continue as a going concern. The report notes that the entity has reported a net profit after tax for the year ended 30 June 2020 of \$1,121,263 (2019: loss of \$3,013,043) and has a net cash outflow from operating activities of \$504,295 (2019: outflow of \$487,427).

The net profit from ordinary activities after tax is after recognising (i) a fair value loss of \$734,542 (2019: a gain of \$280,372) (ii) \$357,291 consulting and legal costs (2019: \$332,102), (iii) share of associates losses of \$30,793 (2019: \$28,006) (iv) a loan provision reversal of \$2,929,199 (2019: expense of \$2,889,033) (v) an impairment expense of \$420,731 (2019: \$Nil) and (vi) share based payments expense of \$171,425 (2019: \$82,422).

The entity had a working capital deficit of \$1,324,846 (2019: deficit \$941,825). The net assets of the consolidated entity increased by \$2,281,577 to \$4,283,836 at 30 June 2020. Included in trade creditors and payables is current director fee accruals of \$849,987 (2019: \$812,783).

The Directors have reviewed their expenditure and commitments for the consolidated entity and had implemented methods of costs reduction. The directors as a part of their cash monitoring, had voluntarily suspended cash payments for their directors' fees to conserve cash resources.

Subsequent to year end the Company has raised \$12,100,000 in cash from the issue of shares under share placements, options exercise and a non-renounceable rights issue including the placement announced on 3 February 2021.

#### (b) Loans and Company Specific Investments

The Annual Report further indicates a material that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Asset Energy Pty Ltd has invested over \$25 million in the PEP11 title in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for PEP11 or any other permits, then these permits are at risk.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

(c) **The Company may face challenges managing the planned growth of its business**

A strategy of the Company is to grow annual cash flows through the sale of COVID-19 related products. The Directors believe significant future growth may require expansion of current commercial production and/or research facilities. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on all areas of the business and if the Company group is unable to manage its expansion effectively, its business and financial results could suffer.

Further, there can be no assurance the Company will be able to implement its strategy for growth successfully. The Company may incur significant costs attempting to implement its growth strategies and initiatives and the management could be diverted away from existing business functions in its attempts to implement those strategies and initiatives. This could lead to the Company suffering reputational damage and a loss of support from customers and could have a material adverse effect on the business and cash flows, business prospects, financial condition and results of its operations.

### **6.3 Industry Specific**

(a) **Development and commercialisation of technologies**

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of biotechnology research and development. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of biotechnology companies can be highly uncertain and frequently involve complex legal and scientific

evaluation, neither the breadth of claims allowed in biotechnology patents nor their enforceability can be predicted. There can be no assurance that any patents the Company or Universities may own or control or licence now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

Although the Company is not aware of any third party interests in relation to the technologies rights of the technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been, or will be sufficient.

(b) **Research and development**

The Company can make no representation that any of its research into or development of the technologies will be successful, that the development milestones will be achieved, or that the technologies will be developed into products that are commercially exploitable.

There are many risks inherent in the development of biotechnology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons

(c) **Oil & gas industry risks**

**Significant investment:** the Company has a 22.3% interest in Advent Energy Ltd (**Advent**). Risks associated with this significant investment include:

- (i) **Illiquid investment:** As Advent is an unlisted entity, there is a risk that there will not be a ready market for the Company to sell its Advent Energy shares.
- (ii) **Oil and gas exploration:** The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. A failure to discover an economic reserve, or to successfully produce from such a reserve, will adversely affect Advent Energy's performance and have a resulting effect on the value of the Company's investment in Advent Energy.
- (iii) **Oil and gas price volatility:** 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 Advent's business and therefore the value of the Company's investment in Advent Energy.
- (iv) **Exploration and production licences:** Advent's operations are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be

withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a production licence will be granted with respect to exploration territory. There can also be no assurance that any exploration permit will be renewed or if so, on what terms.

These licences place a range of past, current and future obligations on Advent. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract. These may then affect the Company's investment in Advent Energy.

- (v) **Expansion targets and operational delays:** There can be no assurance that Advent will be able to complete any development of its properties on time or to budget, or that the current personnel, systems, procedures and controls will be adequate to support Advent's operations. Any failure of management to identify problems at an early stage could have an adverse impact on Advent's financial performance.
- (vi) **Resources, reserves and production:** The figures for oil & gas reserves and resources presented in this Prospectus where given are estimates and no assurance can be given that the anticipated figures will be achieved or that the indicated level of recovery will be realised. Market fluctuations in the price of oil & gas may render oil & gas reserves and resources uneconomical. Moreover, short-term operating factors relating to oil & gas reserves and resources, such as the need for orderly development of an oil & gas reservoir may cause an oil & gas operation to be unprofitable in any particular accounting period.
- (vii) **Limited operating history:** Advent may not have assets producing positive cash flow and its ultimate success may depend on its ability to generate cash flow from active oil & gas operations in the future and its ability to access equity markets for its development requirements. Advent has not made profits to date and there is no assurance that it will do so in the future. A portion of Advent's activities will be directed to the search for and the development of new oil & gas deposits. Significant capital investment will be required to achieve commercial production from Advent's existing projects and from successful exploration efforts. There is no assurance that Advent will be able to raise the required funds to continue these activities.
- (viii) **Additional financing:** Advent is required to fund its share of approved exploration expenditure on certain of the properties on which it has exploration rights, failing which Advent's exploration rights in the relevant property may be either reduced or forfeited. Advent may acquire exploration rights in other exploration properties which may require acquisition payments to be made and exploration expenditures to be incurred. The only sources of funding currently available to Advent are through the issue of additional equity capital, project finance or borrowing. There is no assurance that Advent will be successful in raising sufficient funds to commence drilling or production operations or to meet its obligations with respect to the

exploration properties in which it has or may acquire exploration rights. The Directors currently believe that Advent's working capital will not be sufficient to fund operations. Advent Energy will therefore have to seek additional financing for operations at a later date.

- (ix) **Regulatory approvals:** Advent's operations and the exploration agreements which it has entered into require approvals, licences and permits from various regulatory authorities, governmental and otherwise (including project specific governmental decrees). Such approvals, licences and permits are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required. There can be no guarantee that Advent will be able to obtain or maintain all necessary approvals, licences and permits that may be required and/or that all project specific governmental decrees and/or required legislative enactments will be forthcoming to explore for oil & gas and develop the properties on which it has exploration rights, commence construction or operation of production facilities or to maintain continued operations that economically justify the costs involved.
- (x) **Environmental factors:** Advent's operations are subject to environmental regulation (including regular environmental impact assessments and the requirement to obtain and maintain certain permits) in all the jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. Advent may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.
- (xi) **Competition:** The oil & gas exploration and production business is competitive in all of its phases. Advent competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than itself, in the search for and acquisition of exploration and development rights on attractive oil & gas properties. Advent's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that Advent will continue to be able to compete successfully with its competitors in acquiring exploration and development rights on such properties.
- (xii) **Currency risk:** Currency fluctuations may affect the cash flow that Advent hopes to realise from its operations, as oil & gas is

sold and traded on the world markets in United States dollars. Advent's costs are incurred primarily in Australian dollars and United States dollars.

- (xiii) **Uninsured risks:** Advent Energy, as a participant in exploration and mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Advent Energy may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.
- (xiv) **Market perception:** Market perception of small oil & gas exploration companies may change and this could impact on the value of the Company's holdings and impact on Advent's ability to raise further equity capital.
- (xv) **Unitisation:** In the case of any cross-border discovery or cross permit discovery involving another permit holder, the Company will be required to share production in accordance with the requirements of the relevant regulatory authorities of Western Australia, and/or the Northern Territory, and/or South Australia, and/or New South Wales, or of any relevant unitisation agreements agreed to between the parties, as the case may be.

(d) **Nature of BPH's existing investments**

As noted above, the Company's existing investments include an equity investment in Advent with a carrying value of \$2,150,000, a 20% interest in MD Systems with a carrying value of \$Nil, and a 16% interest Cortical Dynamics Ltd with a carrying value of \$3.45 million.

The Company can make no representations that any of these projects will be successful, that the Company's development milestones will be achieved or that it will develop products that are commercially exploitable. Further, the Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent positions of biotechnology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in medical device patents, nor their enforceability, can be predicted. There can be no assurance that any patents the Company may own or control or license now and, in the future, will afford the Company commercially significant protection of its intellectual property or its projects or have commercial application. While the Company is not aware of any third party interests in its intellectual property rights and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries and if any such disputes arise, they could adversely affect the Company.

(e) **Regulatory risk**

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and,



ultimately, the Company's financial performance and its Securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(f) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

(g) **Climate Change Risks**

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

#### **6.4 General risks**

(a) **Coronavirus (COVID-19) risk**

The outbreak of 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 and Quoted Options 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. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of the coronavirus on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(c) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(e) **Reliance on key management and personnel**

The Company is dependent on its management, the loss of whose services could materially and adversely affect the Company and impede the achievements of its research and development objectives. Because of the specialised nature of the Company's business, its ability to commercialise its products and maintain its research programme will depend in part upon its ability to attract and retain suitably qualified management, scientists and research people over time. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis, retain its key scientific and management personnel, or maintain its relationship with key scientific organisations.

(f) **Market conditions**

The market price of the Company's Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in biomedical development stocks in particular.

Accordingly, investors should recognise that the price of the Securities may fall as well as rise. In particular, the trading price of Shares at any given time may be higher or lower than the price paid under the Offer. Neither the Company nor the Directors warrant the future performance of the Company or any return on the Company's Securities.

(g) **Insurance**

While the Company has sought to be insured in a way that is in keeping with industry practices, there is the risk of an event occurring that is not

fully covered by insurance. This may cause significant financial and material loss to the Company. Furthermore, there is the risk that the Company's insurer fails to respect a legitimate claim made by the Company.

(h) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

## **6.5 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.

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

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

The Company is party to a Writ of summons commenced in the District Court of Western Australia in which former directors Goh Hock and Deborah Ambrosini are claiming unpaid directors' fees from the Company. The Company disputes this position and is defending such claims.

On 1 December 2020 the parties attended mediation however have failed to settle the dispute. Accordingly, the Company will be strenuously defending the claims.

### **7.2 Continuous disclosure obligations**

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

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

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

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

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

Date	Description of Announcement
8/02/2021	PEP 11 Drilling Clarification
5/02/2021	PEP 11 Drilling
3/02/2021	Appendix 2A
3/02/2021	Proposed issue of Securities
3/02/2021	Proposed issue of Securities
3/02/2021	BPH raises \$9 million in Share Placement
1/02/2021	Trading Halt
1/02/2021	Quarterly Cashflow Report
1/02/2021	Quarterly Activities Report
28/01/2021	Section 708 Notice
28/01/2021	Appendix 2A
25/01/2021	Response to ASX Price & Volume Query
25/01/2021	Pause in Trading
22/01/2021	Cortical Dynamics Patent and Advisory Panel Appoint Update
13/01/2021	Advent Energy Preliminary Well Services Agreement
4/01/2021	Lifting of Trading Halt
31/12/2020	Trading Halt
31/12/2020	Pause in Trading
21/12/2020	Change in substantial holding
21/12/2020	Section 708(A) Notice

Date	Description of Announcement
21/12/2020	Change in substantial holding
21/12/2020	Change of Directors Interest Notice
21/12/2020	Appendix 2A
17/12/2020	Appendix 3Y Amendment
17/12/2020	September 2020 Quarterly Activities Report Amendment
14/12/2020	Settlement of Writs with MEC
14/12/2020	Investee Advent Energy appoints eminent Scientist
14/12/2020	Proposed in-specie distribution – Update
11/12/2020	Results of Meeting
11/12/2020	Results of Meeting
9/12/2020	Clarification of Proxy Voting Cut-Off
7/12/2020	Cortical Dynamics Limited Update
1/12/2020	Expiry of Options
27/11/2020	Bounty Oil and Gas NL AGM Presentation
16/11/2020	Letter to Shareholders
13/11/2020	Notice of Annual General Meeting
13/11/2020	Notice of General Meeting
4/11/2020	Annual Reports to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

### 7.3 Market price of Shares

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

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

	Price	Date
Highest	\$0.33	28 January 2021
Lowest	\$0.028	24 November 2020
Last	\$0.155	8 February 2021

## 7.4 Details of substantial holders

Based on publicly available information as at 8 February 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
David Breeze, Trandcorp Pty Ltd, Grandbridge Securities Limited, Grandbridge Limited <sup>1</sup>	57,452,695	9.89%
JGM Property Investments Pty Ltd	34,666,682	6.31%

**Notes:**

1. Comprising of:
  - (a) 162,832 Shares held by David Breeze;
  - (b) 53,494,071 Shares held by Trandcorp Pty Limited; and
  - (c) 3,795,792 Shares held by Grandbridge Limited.

## 7.5 Interests of Directors

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

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

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

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

### Security holdings

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

Director	Ordinary Shares	Unlisted Options	Listed Options <sup>4</sup>
David Breeze	57,452,695 <sup>1</sup>	-	12,098,190
Tony Huston	9,075,607	200,000 <sup>2</sup>	1,466,534
Charles Maling	5,072,253	1,400,000 <sup>3</sup>	1,462,900

**Notes:**

1. Includes 53,494,071 Shares held indirectly by Trandcorp Pty Ltd and 3,795,792 Shares held indirectly by Grandbridge Limited, both entities controlled by Mr David Breeze.
2. 200,000 unlisted options exercisable at \$0.20 per option on or before 30/11/22.
3. 200,000 unlisted options exercisable at \$0.20 per option on or before 30/11/22 and 1,200,000 unlisted options exercisable at \$0.02 per option on or before 30/11/24.
4. Listed options with an exercise price of \$0.05 per share and an expiry date of 29/07/2022.

**Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration for year ended 30 June 2019	Remuneration for year ended 30 June 2020	Proposed remuneration for year ending 30 June 2021
David Breeze	\$148,000	\$148,000	\$148,000
Charles Maling	\$25,000	\$30,771 <sup>1</sup>	\$25,000
Tony Huston	\$57,000	\$55,000 <sup>2</sup>	\$30,000 <sup>3</sup>

**Notes:**

1. Includes \$5,771 worth of option-based payments.
2. Includes \$10,000 of consulting fees and \$20,000 worth of share-based payments relating to the issue of Shares. The Shares have been valued at the Share price of \$0.001 at the date of issue.
3. Includes \$5,000 of consulting fees.

**Interests of experts and advisers**

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or



- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$145,615.20 (excluding GST and disbursements) for legal services provided to the Company.

## **7.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

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

## 7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$10,128 as follows:

Expense	\$
ASIC fees	3,206
ASX fees	1,922
Legal fees	5,000
<b>Total</b>	<b>10,128</b>

## 7.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9328 8366 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.bphenenergy.com.au](http://www.bphenenergy.com.au).

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

## 7.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

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

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

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

## 7.10 Privacy Act

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

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

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

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

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**8. DIRECTORS' AUTHORISATION**

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

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

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**David Breeze**  
**Chairman**  
**For and on behalf of**  
**BPH ENERGY LIMITED**

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## 9. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer.

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

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

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

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

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

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

**Broker Offer** has the meaning given to that term on the front page of this Prospectus.

**Broker Options** has the meaning given to it in Section 3.3.

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

**Cleansing Offer** has the meaning given to that term on the front page of this Prospectus.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means BPH Energy Limited (ACN 095 912 002).

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

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

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

**EverBlu Capital** means EverBlu Capital Pty Ltd (ABN 23 612 793 683).

**Offer** means the offer of up to 500 Shares at an issue price of \$0.13 per Share to raise up to \$65.

**Offers** means the offers of Securities referred to in Section 3 and Offer means either one of them.

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

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

**Placement** means a placement of 69,230,769 Shares to sophisticated and professional investors at an issue price of \$0.13 per Share to raise \$9,000,000, as announced by the Company on 3 February 2021.

**Prospectus** means this prospectus.

**Sixty Two Capital** means Sixty Two Capital Pty Ltd (ACN 611 480 169).

**Security** means a Share or an Option.

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

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

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