

ENSURANCE LIMITED

ACN 148 142 634

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.04 per Share to raise up to \$6,924,554 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by Patersons Securities Limited and Transocean Securities Pty Ltd (**Underwriters**). Refer to Section 9.5 for details regarding the terms of the Joint Underwriting Agreement. Patersons Securities Limited and Transocean Securities Pty Ltd are also acting as Joint Lead Managers to the Offer. Refer to Section 9.6 for the terms of the Lead Manager Mandate.

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

Tony Leibowitz (Executive Chairman)
Adam Davey (Non-Executive Director)
Tony Wehby (Non-Executive Director)

Registered Office

Level 2
2 Glen Street
Milsons Point NSW 2061

Company Secretary

Sam Hallab

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Email: shallab@ensurance.com.au
Website: www.ensurance.com.au

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Solicitors

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

Auditor*

Mazars Risk & Assurance Pty Ltd
Level 12
90 Arthur Street
North Sydney NSW 2060

Joint Lead Managers and Underwriters

Patersons Securities Limited
Level 23 Exchange Tower
2 The Esplanade
Perth WA 6000

Transocean Securities Pty Ltd
Level 5, 56 Pitt Street
Sydney NSW 2000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	Monday, 28 May 2018
Lodgement of Prospectus & Appendix 3B with ASX	Monday, 28 May 2018
Notice sent to Optionholders	Monday, 28 May 2018
Notice sent to Shareholders	Wednesday, 30 May 2018
Ex date	Thursday, 31 May 2018
Record Date for determining Entitlements	Friday, 1 June 2018
Prospectus sent out to Shareholders & Company announces this has been completed	Tuesday, 5 June 2018
Closing Date*	Tuesday, 19 June 2018
Shares quoted on a deferred settlement basis	Wednesday, 20 June 2018
ASX notified of under subscriptions	Thursday, 21 June 2018
Issue date/Shares entered into Shareholders' security holdings	Tuesday, 26 June 2018
Quotation of Shares issued under the Offer*	Thursday, 28 June 2018

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 28 May 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

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

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares 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 Shares pursuant to this Prospectus.

3.2 Forward-looking statements

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

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

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

The Company 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.

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

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 8.

4. LETTER TO SHAREHOLDERS

Dear Shareholder

On 28 May 2018, the Company announced its intention to conduct a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.04 per Share to raise up to \$6,924,554.

The Offer is fully underwritten by Patersons Securities Limited and Transocean Securities Pty Ltd.

All Eligible Shareholders registered at 5:00pm WST on 1 June 2018 will be entitled to participate in the non-renounceable issue of Shares. The proposed Closing Date for acceptances is 5:00 pm WST on 19 June 2018.

This Prospectus contains important information about the Offer, including:

- (a) details of the Offer, including key dates;
- (b) actions required by Shareholders; and
- (c) risk factors associated with the Offer.

You should read this Prospectus carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors included in Section 8.

Shareholders who do not take up all or any part of their Entitlement will not receive any payment or value in respect of those Entitlements and their equity interest in the Company will be diluted.

Following an analysis of its business and the key drivers for its future growth, the Board has adopted a new strategic direction which will involve building its operations internationally, predominantly as a Managing General Agent with large insurance capacity lines on a global basis. This may result in both the acquisition of strategically aligned businesses and the disposal of non-core business units.

More specifically, the Company proposes to use the proceeds of the Entitlement Offer for the retirement of short term debt, the expansion of the business in the United Kingdom, working capital and the costs of the Entitlement Offer. On behalf of the Board, I invite you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely



Mr Tony Leibowitz
Executive Chairman
Ensurance Limited

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.04 per Share.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 173,113,862 Shares will be issued pursuant to this Offer to raise up to \$6,924,554 (before costs of the Offer).

As at the date of this Prospectus the Company has 25,497,314 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 6.4 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 6.1.

5.2 Minimum subscription

On the basis that the Offer is fully underwritten by the Underwriters, the minimum subscription is also the full subscription under the Offer.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.04 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Ensurance Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 4:00pm WST on the Closing Date.

5.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

5.6 Offset

Under the terms of the Offer, Applicants may elect to offset fees owing by the Company to the Shareholder or their associates in lieu of the Shareholder paying cash consideration for the Offer. Applicants who wish to offset fees should contact the Company in this respect.

Any remaining balance outstanding after the fees have been applied towards the Shares the subject of the Offer shall be repaid by the Company to Shareholders in accordance with existing arrangements.

Tony Leibowitz

The Company has agreed to offset debts owed to Executive Chairman, Mr Tony Leibowitz via his controlled entity Kalonda Pty Ltd (ACN 009 137 222) as trustee for the Leibowitz Super Fund (**Kalonda**). Kalonda is currently owed funds by the Company pursuant to a loan agreement between the Company, Kalonda, Savill Hicks Corp Ltd and Ensurance IT. As at the date of this Prospectus, the total amount owing to Kalonda is \$2,050,000 in loan funds, which exceeds the Entitlement of Kalonda under the Offer, which is detail in Section 9.7.

Mr Leibowitz has indicated that he will elect to offset debts owed to Kalonda in payment of his subscription monies for Kalonda's Entitlement.

5.7 Underwriting

The Offer is fully underwritten by the Underwriters. Refer to Section 9.5 for details of the terms of the underwriting.

5.8 Effect on control of the Company and potential dilution to Shareholders

(a) Underwriting

The Underwriters have each agreed to severally underwrite 50% of the Offer. Neither of the Underwriters are shareholders of the Company and the extent to which shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. Transocean currently holds 3,269,894 Options. Transocean does not propose to exercise these Options prior to the Record Date.

The Underwriters are not related parties of the Company for the purpose of the Corporations Act. Each of the Underwriters' present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriters each take up to their full entitlement of 86,556,931 Shares each under each scenario.

Event	Shares held by Patersons	Voting power of Patersons	Shares held by Transocean	Voting power of Transocean
Date of Prospectus	Nil	0%	Nil	0%
Completion of Entitlement Issue	Nil	0%	Nil	0%
Fully subscribed	Nil	0%	Nil	0%
75% subscribed	21,639,233	6.25%	21,639,233	6.25%
50% subscribed	43,278,465	12.37%	43,278,465	12.37%
0% subscribed (being each of the Underwriter's Entitlement)	86,556,931	25%	86,556,931	25%

The number of Shares held by the Underwriters and their voting power in the table above show the potential effect of the underwriting of the Offer.

However, it is unlikely that no Shareholders, other than the Underwriters, will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriters will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the Shareholders.

In addition, the Underwriting Agreement includes a provision that the Underwriters will use their best endeavours to ensure that neither will acquire, through underwriting the Offer, a holding of Shares of an amount in excess of 19.9% of all the Shares on issue on completion of the Offer. Further, the Underwriters have or will enter into sub-underwriting agreements for the majority of the Underwritten Securities, meaning that the number of Shares held by the Underwriters at completion of the Offer

would be reduced on the basis that the sub-underwriters comply with their sub-underwriting commitments.

(b) Sub-Underwriting – Tony Leibowitz

Patersons has entered into a sub-underwriting agreement with Kalonda, an entity controlled by a Director, Tony Leibowitz, pursuant to which Kalonda has agreed to sub-underwrite 32,500,000 Shares.

Patersons will pay Mr Leibowitz a fee of 4.5% of the sub-underwritten amount, being \$58,500 in consideration for the sub-underwriting.

Kalonda currently holds 8,596,549 Shares. Kalonda also holds a total of 10,150,000 Options and a Convertible Note which may be converted into 2,500,000 Shares. Mr Leibowitz has confirmed that none of these Options will be exercised, or the Convertible Note converted, prior to the Record Date.

Assuming that Kalonda is required to sub-underwrite the maximum number of Shares (being 32,500,000 Shares) Mr Kalonda will acquire a maximum voting power of 14.35% assuming that Kalonda also takes up its Entitlement, the issue of all Shares contemplated by the Entitlement Offer and no exercise of Options or conversion of the Convertible Note held by Kalonda.

The offset arrangements in Section 5.6 do not apply to the sub-underwriting, which is a separate arrangement between Kalonda and Patersons.

Mr Leibowitz and two other sub-underwriters – Church Street Trustees Limited as trustee of the Matlas Trust (which may acquire a maximum interest in 9.4% of Shares on issue after completion of the Offer) and Museum Investments Limited (which may acquire a maximum interest in 7.1% of Shares on issue after completion of the Offer) - are currently the only sub-underwriters whose agreement to sub-underwrite the Offer may result in them will acquiring an interest in more than 5% of the Shares on issue. The maximum interest in Shares the sub-underwriters may acquire an interest in based on their sub-underwriting arrangements will depend on the amount of, if any, Shortfall.

(c) Sub-Underwriting – Adam Davey

Patersons has entered into a sub-underwriting agreement with Director Adam Davey as trustee for the Davey Investment Account, pursuant to which Mr Davey has agreed to sub-underwrite 10,000,000 Shares.

Patersons will pay Mr Davey a fee of 4.5% of the sub-underwritten amount, being \$18,000 in consideration for the sub-underwriting.

Mr Davey and his controlled entities currently hold 604,090 Shares. Mr Davey and his controlled entities also hold a total of 4,000,000 partly paid shares and 3,000,000 Options and a Convertible Note which may be converted into 2,500,000 Shares. Mr Davey has confirmed that none of these partly paid shares will be paid up, Options will be exercised, or the Convertible Note converted, prior to the Record Date.

Assuming that Mr Davey as trustee for the Davey Investment Account is required to sub-underwrite the maximum number of Shares (being

10,000,000 Shares), Mr Davey and his controlled entities will acquire a maximum voting power of 3.24% assuming that Mr Davey and his controlled entities also take up their Entitlement, the issue of all Shares contemplated by the Entitlement Offer and no exercise of Options, paying up of partly paid shares or conversion of the Convertible Note held by Mr Davey and his controlled entities.

(d) **Dilution**

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	5.77	10,000,000	10,000,000	2.89
Shareholder 2	5,000,000	2.89	5,000,000	5,000,000	1.44
Shareholder 3	1,500,000	0.87	1,500,000	1,500,000	0.43
Shareholder 4	400,000	0.23	400,000	400,000	0.12
Shareholder 5	50,000	0.03	50,000	50,000	0.01

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. As of the Offer is fully underwritten it is unlikely that this alternative dilutionary position will result.

5.9 Lead managers

Patersons and Transocean have been appointed as joint lead managers to the Offer. The terms of the appointment of the Joint Lead Manager are summarised in Section 9.6.

5.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for approximately two weeks following the Closing Date, or such other period determined by the Directors in consultation with the Underwriters. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.04 being the price at which Shares have been offered under the Offer.

The Directors, in consultation with the Underwriters, reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, do not apply for Shortfall Shares unless instructed to do so by the Directors or the Underwriters.

5.11 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement 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.

5.12 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued either simultaneously with the Shares issued pursuant to the Offer or in accordance with the terms of the Underwriting Agreement. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

5.13 Overseas shareholders

This Offer does 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.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and

is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.14 Enquiries

Any questions concerning the Offer should be directed to Sam Hallab, Company Secretary, on +61 2 9806 2000.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$6,924,554.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

	Proceeds of the Offer	Full Subscription (\$)	%
1.	Continued expansion of the business in the United Kingdom ¹	2,568,125	37
2.	Retirement of short term debt ²	2,564,000	37
3.	Expenses of the Offer ³	635,594	9
4.	Restructuring cost ⁴	865,000	12
5.	Working capital	291,835	5
	Total	6,924,554	100

Notes:

1. This includes costs associated with personnel and related on-costs of \$2,000,000, occupancy costs of \$198,571, business development costs of \$90,625 and other compliance, travel and other associated costs of \$278,929. These are the costs associated with continued support of the UK operations to the point that the Company's international operations become cashflow positive.
2. This includes \$2,050,000 towards the settlement of the Kalonda loan facility with the balance relating to other short-term financing arrangements
3. Refer to Section 9.10 for further details relating to the estimated expenses of the Offer.
4. This includes personnel redundancy costs due to the change in strategic direction estimated at \$600,000, relocation expenses of \$165,000 and \$100,000 to cover other costs. If the new strategic direction of the Company does not proceed, these costs will be re-allocated to working capital.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$6,288,960 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 173,113,862 as at the date of this Prospectus to 346,227,724 Shares.

6.3 Pro-forma balance sheet

The audit reviewed balance sheet as at 31 December 2017 and the unaudited pro-forma balance sheet as at 30 April 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

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

Ensurance Limited			Pro-Forma	Pro Forma
Consolidated Balance Sheet	31 Dec'17	30 Apr'18	Adjustments	30 Apr'18
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current assets				
Cash	687	817	3,724	4,541
Trade & Other receivables	331	257		257
Trust acc assets	7,116	7,738		7,738
	8,134	8,812	3,724	12,536
Non-current assets				
Financial assets	96	75		75
Plant & Equip	247	239		239
	343	314	-	314
Total assets	8,477	9,126	3,724	12,850
Current liabilities				
Trade payables	1,299	881		881
Trust acc liabilities	7,116	7,738		7,738
Provisions	447	432		432
Borrowings	905	2,564	(2,564)	-
	9,767	11,615	(2,564)	9,051
Non-current liabilities				
Provisions	30	31		31
Borrowings - CN	2,598	2,598		2,598
	2,628	2,629	-	2,629
Total liabilities	12,395	14,244	(2,564)	11,680
Net (liabilities)/assets	(3,918)	(5,118)	6,288	1,170
Equity				
Issued capital	10,485	11,249	6,288	17,537
Reserves	1,549	1,737		1,737
Accumulated losses	(15,952)	(18,104)		(18,104)
	(3,918)	(5,118)	6,288	1,170

Notes:

The Pro Forma Adjustments include the following transactions:

1. Funds from the Offer of \$6,288,960
2. Payment of expenses of the Offer of \$635,594; and
3. Repayment of the short term debt of \$2,564,000.

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, no Options are exercised, no partly paid shares paid up, no Performance Rights vest and no Convertible Notes are converted prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	173,113,862
Shares offered pursuant to the Offer	173,113,862
Total Shares on issue after completion of the Offer	346,227,724

Options

	Number
Options offered pursuant to the Offer	Nil
Options currently on issue:¹	
Unquoted exercisable at \$0.08 each on or before 31 July 2020	2,597,314
Unquoted exercisable at \$0.04 each on or before 31 July 2020	3,500,000
Unquoted exercisable at \$0.046 each on or before 31 July 2020	3,000,000
Unquoted exercisable at \$0.12 each on or before 31 July 2020	1,000,000
Unquoted exercisable at \$0.08 each on or before 15 December 2019	5,000,000
Unquoted exercisable at \$0.05 each on or before 15 December 2019	3,150,000
Unquoted exercisable at \$0.05 each on or before 15 December 2020	7,250,000
Total Options on issue after completion of the Offer	25,497,314

Performance Rights

	Number
Performance Rights currently on issue ²	1,500,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	1,500,000

Convertible Notes

	Number of Convertible Notes	Number of Shares to be issued on Conversion
Convertible Notes currently on issue ³	47	75,000,000
Convertible Notes offered pursuant to the Offer	Nil	Nil
Total Convertible Notes on issue after completion of the Offer	47	75,000,000

Partly Paid Shares

	Number
Partly paid shares currently on issue ³	8,000,000
Partly paid shares offered pursuant to the Offer	Nil
Total partly paid shares on issue after completion of the Offer	8,000,000

Notes:

1. Upon completion of the Offer, the terms of the Options currently on issue (other than the 3,000,000 Options exercisable at \$0.046 each and 5,000,000 Options exercisable at \$0.04 each – which had their exercise price revised upon completion of the Company's placement completed on 1 May 2018, in accordance with their terms), including the relevant exercise price, will be amended in accordance with the ASX Listing Rules.
2. Comprising 1,000,000 Class A Performance Rights, each of which will vest into one (1) Share upon the Company achieving a share price of \$0.80 based on a 30 day volume weighted average share price by 2 December 2020; and 500,000 Class B Performance Rights each of which will vest into one (1) Share on the introduction to, and entry into, an agreement with a strategic partner to the Company which results directly or indirectly in a material increase in the Company's revenue or otherwise increases the value of the Company, to be determined at the discretion of the Directors.
3. The Convertible Notes were previously convertible into Shares on a one-for-one basis at a conversion price of \$0.05. As a result of the Company's recent placement (completed on 1 May 2018), the conversion price of the Convertible Notes has been re-set to \$0.04. The Convertible Notes also have an interest rate of 8% per annum and a term of three (3) years after the subscription date. For further details in respect of the Convertible Notes currently on issue, refer to Notice of Annual General Meeting released to the ASX on 30 October 2017 for the meeting held on 29 November 2017.
4. The partly paid shares have been issued at a price of \$0.20 of which \$0.0001 was paid on issue with the balance payable at the election of the holder, any time within five years from the date of Shareholder approval, being 30 November 2020. These shareholders are not eligible to participate in the Offer, unless they pay the unpaid balance prior to the Record Date.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 283,111,176 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Performance Rights vest, Convertible Notes or Options are exercised prior to the Record Date) would be 346,227,724 Shares.

6.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, 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	%
Mr Stefan Hicks	16,369,044	9.46
Mr Stefan Hicks <Hicks Family A/C>	9,515,962	5.50

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

7. 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.

7.1 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.

7.2 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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 each Share held, 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).

7.3 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.

7.4 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.

7.5 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.

7.6 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 and the ASX Listing Rules.

7.7 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.

7.8 Variation of rights

Under 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.

7.9 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.

8. RISK FACTORS

8.1 Introduction

- (a) The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.
- (c) The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no and no Performance Rights vest, Convertible Notes convert or Options are exercised prior to the Record Date the number of Shares in the Company will increase from 173,113,862 currently on issue to 346,227,724. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.04 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) New strategic direction

Following an analysis of its business and the key drivers for its future growth, the Company has adopted a new strategic direction which will involve building its operations internationally, predominantly as a Managing General Agent with large insurance capacity lines on a global basis. This may result in both the acquisition of strategically aligned businesses and the disposal of non-core business units.

The successful implementation of this new strategic direction will be pivotal to achieving future growth and Shareholder value. Failure to successfully implement the new strategic direction could adversely affect the Company's and the Ensurance Group's business, financial condition and results from operations.

The proposed new strategic direction of the Company will bring with it additional risks associated with increasing its overseas business operations, compliance with foreign jurisdiction requirements and

contractual risks in relation the acquisition and potential disposal of businesses.

(c) **Going concern risk**

The Company's interim financial report for the half-year ended 31 December 2017 noted the following:

"The Group incurred a loss for the half-year of \$5,484,879 (December 2016: \$2,109,062 loss) and a net cash inflow of \$116,914 (December 2016: \$5,756 out-flow). The net assets of the Group have decreased from 30 June 2017 by \$1,918,697 to a net deficiency of \$3,917,536 at 31 December 2017 (June 2017: \$1,998,839 net deficiency). As at 31 December 2017, the Group's cash and cash equivalents increased from 30 June 2017 by \$116,914 to \$686,787 at 31 December 2017 (June 2017: \$569,873) and had a working capital deficit of \$1,632,573 (June 2017: \$1,228,955 working capital deficit).

Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending 12 months from the date of this report. Should the Group be unable to generate sufficient funds from its operations or it is unable to raise sufficient capital, the planned operations may have to be amended. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows."

Notwithstanding the 'going concern' Emphasis of Matter paragraph included in the Independent Auditor's Review Report issued to the Company for the half-year ended 31 December 2017, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements.

(d) **Licensing requirements for Australian Financial Services Licence (AFSL) holders**

Generally, underwriting agencies, Managing General Agents and general insurance brokers that have a business in Australia and in the United Kingdom, are required to hold licences issued by ASIC in Australia and the Financial Conduct Authority in the UK. Under the laws of Australia and the UK an individual or a company must hold an AFSL (Australia) and an FCA Authorisation (UK) in order to conduct these businesses, unless exempt. Compliance with the obligations of an AFSL and an FCA Authorisation is the responsibility of the licensee.

The ability of the Ensurance Group to carry out its business objectives in accordance with this Prospectus is dependent on the maintenance of the Ensurance Group's ability to access an AFSL and an FCA Authorisation. If Ensurance Underwriting, SHC or Ensurance UK, as holders of an AFSL and FCA Authority, are unable to retain their respective licences, they may not be able to continue to operate in their current form. This may impact their ability to offer insurance and related services to their customers, which would result in a loss of income to the Ensurance Group.

Furthermore, if Ensurance Underwriting SHC or Ensurance UK do not meet regulatory requirements, they may suffer penalties, such as fines, obligations to pay compensation, enforceable undertakings, imposition

of (or variations to) licence conditions or, ultimately, the cancellation or suspension of their AFSL's and FCA Authorisation.

The suspension or cancellation of the AFSL/FCA Authorisation held by either Ensurance Underwriting, SHC or Ensurance UK may also pose a reputational risk for the Ensurance Group.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its business and operations plans. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Changes in insurance products provided**

The Company earns a significant proportion of its revenue from the sale of insurance products both in Australia and in the United Kingdom. These insurance products are provided by several key product providers.

Key product providers may make fewer products available, may not make certain products available or may not make any products available to the Ensurance Group. This may be for a number of reasons, including, where the product providers are insurers, decisions to limit the number of new policies that they write. Key product providers may make fewer products available, may not make certain products available or may not make any products available to the Ensurance Group. This may be for a number of reasons, including, where the product providers are insurers, decisions to limit the number of new policies that they write in response to market conditions, their perceptions of where their best growth opportunities may lie, or as a result of a lack of sufficient capital or funds generally which are required to underpin new policy growth.

The loss or impairment of any of these key product provider relationships, or a reduction in the nature or number of insurance products that the product providers make available, could adversely affect the Company's and the Ensurance Group's business, financial condition and results from operations.

While new arrangements can be made to replace any loss of sales in the instance of the loss or impairment of a relationship with an insurance product provider (either through new or existing product providers), there can be no guarantee that the terms negotiated will be favourable.

(g) **Dependence on third parties and services**

The Ensurance Group relies on key software products and services supplied by third parties for its information management systems and delivery of services to brokers, clients and customers. If any software products upon which the Ensurance Group depends do not operate as expected then the services that the Ensurance Group operates may be adversely affected. There is an inherent risk that such third parties

appointed do not perform their role to a satisfactory standard. There can be no assurance that the Company would be successful in attempting to enforce any of its contractual rights through legal action.

(h) **New product development and technology risk**

The Company is reliant upon certain technologies and upon the successful commercialisation of these technologies. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company, this would adversely affect the profitability of the Company and likely the value of the Shares.

Furthermore, standard backup, restoration and recovery procedures are in place for the Ensurance Group. In accordance with AFSL requirements, both SHC and Ensurance Underwriting are also required to have in place their own disaster recovery plan. However, despite these protections, any significant interruptions to the Ensurance Group's information technology and communications systems could impair the ability of the Ensurance Group to continue to provide its services (such as access to the online platform), or the loss or corruption of data and may impact the Ensurance Group's brand image, bring about service level availability rebate costs, and potentially loss of customers. Any of these impacts, or other potential effects, could materially affect the Ensurance Group's overall revenue and earnings.

(i) **Protection of intellectual property rights**

The Ensurance Group's intellectual property rights are valuable, and any inability to protect them could reduce the value of the Ensurance Group's products and brand.

Securing rights to technologies, and in particular intellectual property, through licensing, ownership or otherwise, is an integral part of securing potential product value in the online platform. Competition in obtaining and sustaining protection of technology and the complex nature of technologies can lead to intellectual property disputes. The Company's and the Ensurance Group's prospect of success depends, in part, on their ability to obtain interests in intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties. There can be no assurance that any intellectual property which the Ensurance Group or entities it deals with may have an interest in now or in the future will afford the Ensurance Group commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

The Ensurance Group may rely on a combination of confidentiality arrangements with third parties with whom it has relationships, as well as domain name, trade secret, copyright, trade mark and/or patent laws, to protect its brand and other intellectual property rights. The granting of a registered patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology to avoid the patented technology. There can be no assurance that any patents that the Ensurance Group may own or control will afford the Ensurance Group commercially significant protection of its technologies or its products or have commercial application.

(j) **Contractual risk**

To provide consistent service delivery, the Ensurance Group has worked to build longstanding relationships with third party suppliers and employees working in the sector. The business of the Ensurance Group has a significant dependence on its counterparties and their ability to meet their contractual obligations pursuant to the agreements entered into with a member of the Ensurance Group. In particular, the Ensurance Group relies on the continuation of broker agreements between Ensurance Underwriting and insurers.

The ability of the Company to achieve its objectives depends upon the performance of counterparties to each of the agreements, of their respective obligations under those agreements. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company or the relevant member of group (as the case may be) to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

The Company has no current reason to believe that any of the parties which it or any of the members of the Ensurance Group has contracted with will not meet and satisfy their obligations under their respective agreements.

(k) **Key personnel**

The Company's ability to successfully execute against its business plan and exploit market opportunities identified will be subject to the ability to attract and retain highly qualified and experienced executives and employees across all aspects of the business both in Australia and the United Kingdom. The Company may not be able to attract or retain key staff or be able to find effective replacements in a timely manner. The Company will ensure that it remains competitive in terms of employment conditions and salaries and to implement suitable incentive schemes to align the interests of employees and Shareholders.

(l) **Competition risk**

The Ensurance Group is participating in highly competitive markets both in Australia and in the United Kingdom. Some of the Ensurance Group's competitors may have greater financial and other resources than the Ensurance Group and, as a result, may be in a better position to compete for future business opportunities.

8.3 Industry specific

(a) **Increased competition and change or disruption in market structure**

The Ensurance Group competes in the distribution of general insurance policies with other insurance brokers, managing general agents, underwriting agencies and insurers. In order to be an effective market participant the Ensurance Group must respond promptly to a number of challenges facing the industry as a whole, and the Ensurance Group specifically. These challenges include the entry of new participants into the insurance broking, managing general agency and underwriting agency markets. With technology development and the advent of online

purchasing of insurance products and comparison websites, the barriers of entry into the insurance industry have decreased in recent years.

Increased competition could arise from a number of sources including, but not limited to:

- (i) increased competition from other existing broker consolidator groups or broker cluster groups;
- (ii) increased focus from large global insurance brokers on the small to medium enterprise segment;
- (iii) the expansion of non-insurance broking distribution channels that maintain relationships with small to medium enterprise customers (for example, accountants, financial planners and business bankers) into insurance broking;
- (iv) the expansion of online broking and comparator websites (servicing predominantly personal lines of insurance) into commercial lines; and/or;
- (v) general insurers expanding their direct distribution capabilities in the SME segment.

(b) **Data security risk**

In the ordinary course of its business, the Ensurance Group collects a wide range of personal and financial information from consumers and clients using the SHC website, Ensurance Underwriting website and white labellers' websites, through the secure transmission of confidential information over public networks. This includes information like personal contact details and payment information, such as credit card details.

A malicious attack on the Ensurance Group's systems, processes or people from external or internal sources could put the integrity and privacy of customer's data and business systems used to run the Ensurance Group at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or falling revenues.

Whilst the Ensurance Group has established risk management systems to prevent cyber-attacks and any potential data security breaches, including firewalls, encryption of consumer data, a privacy policy and policies to restrict access to data to authorised employees, there are inherent limitations on such systems, including the possibility that certain risks have not been identified. There can be no guarantee that the measures taken by the Ensurance Group will be sufficient to detect or prevent data security breaches. Technology advancements may lead to a compromise or even a breach of the technology platform used by the Ensurance Group to protect confidential information. Third parties may attempt to gain unauthorised access to the Ensurance Group's systems (e.g. via "hacking" or malicious software coding) for purposes of misappropriating consumer information.

If successful, security breaches or failures by the Ensurance Group to protect confidential information could result in loss of information integrity, breaches of the Ensurance Group's obligations under applicable privacy or other laws, breach of customer and insurance

product provider agreements and website and system outages, each of which may potentially have a material adverse impact on the Ensurance Group's reputation as well as its levels of sales revenue and profitability. In addition, substantial costs may be incurred in order to prevent the occurrence of future security breaches.

(c) **Compliance with future of financial advice legislation**

Should the Company provide financial product advice to retail clients during the course of its business it will have to ensure it complies with the relevant legislative requirements such as the Future of Financial Advice regime (**FOFA**). In particular, the Company will have to ensure that it complies with the conflicted remuneration provisions which limit the manner in which financial advisers may be remunerated.

(d) **Force Majeure**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including subversive activities or sabotage, cyber-attacks, online hacking, fires, floods, explosions or other catastrophes or epidemics. A disaster affecting Ensurance Group's systems would cause disruption to the operation of the Ensurance Group's business. An unforeseen event of this nature could cause losses due to Ensurance Group's inability to process claims and/or customer's inability to access the Company's website by virtue of the event. The Company continually reviews its disaster recovery procedures and plans to seek to keep them up to date in case of the occurrence of an unforeseen event.

8.4 General risks

(a) **BREXIT**

The decision of Britain to exit the European Union (BREXIT) is currently in the process of being implemented and may adversely affect the financial performance of the Company in the United Kingdom. At this point in time the financial fallout, particularly in the insurance sector, is largely unknown.

(b) **Government policies and legislation**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Australian and international government legislation is subject to review and change from time to time. Any such change is likely to be beyond the control of the Company and could affect both industry and the Company's profitability. Revenues and operating costs of the Company may be affected by change in international, federal, state, or local government laws, regulations or policies, or in taxation legislation.

Changes or reforms to the regulation of the financial sector may adversely affect the financial performance of the Company and could restrict or complicate the Company's activities and significantly increase its compliance costs.

(c) **Market conditions**

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

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

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

(d) **Insurance**

Insurance against all risks associated with the Company's activities 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.

(e) **Litigation**

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business, particularly in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance

(f) **Taxation**

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

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

8.5 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 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 advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

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

9.2 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 a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

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

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

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

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

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

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

Details of documents lodged by the Company 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
28/05/2018	Change of Director's Interest Notice
23/05/2018	Ensurance appoints Tony Leibowitz to full time role
21/05/2018	Change of Director's Interest Notice
21/05/2018	Change of Director's Interest Notice
17/05/2018	Change to terms of Entitlement Offer
08/05/2018	Ensurance Adopts New Strategic Direction
07/05/2018	Final Director's Interest Notice
07/05/2018	Director Resignation
04/05/2018	Appendix 3B – Release from Escrow
03/05/2018	Appointment of Director
03/05/2018	Notice of Release of Shares from Escrow
01/05/2018	Appendix 3B
01/05/2018	Cleansing Notice
01/05/2018	Completion of Share Placement
30/04/2018	Response to ASX Query
30/04/2018	Loan Agreement
30/04/2018	Appendix 4C – quarterly
30/04/2018	Change of Director's Interest Notice
24/04/2018	Reinstatement to Official Quotation
24/04/2018	Ensurance to undertake Share Placement and Entitlement Offer
23/04/2018	Suspension from Official Quotation
19/04/2018	Trading Halt
27/02/2018	Appendix 4D Half-Year Report
31/01/2018	Appendix 4C and Company Update

Date	Description of Announcement
31/01/2018	Appendix 4C – quarterly
25/01/2018	Mr Stefan Hicks moves to Non-Executive Director role
12/01/2018	Change of Director's Interest Notice
12/01/2018	Change of Director's Interest Notice
08/01/2018	Ensurance UK Achieves Significant Milestones
15/12/2017	Completion of Share Placement
15/12/2017	Change of Director's Interest Notice
15/12/2017	Change of Director's Interest Notice
15/12/2017	Appendix 3B
30/11/2017	Results of Annual General Meeting
09/11/2017	Final Director's Interest Notice
09/11/2017	Resignation of Director
07/11/2017	Final Director's Interest Notice
07/11/2017	Resignation of Director
30/10/2017	Notice of Annual General Meeting/Proxy Form
27/10/2017	Commitments Test Entity – First Quarter Report
13/10/2017	Ensurance to Increase Fully Underwritten Placement to \$3.5m
05/10/2017	Appendix 3X Initial Directors Interest Notice
04/10/2017	Appendix 3Z Initial Directors Interest Notice
02/10/2017	ENA to undertake fully underwritten \$3 million placement
29/09/2017	Appendix 4G

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

The announcements are also available through the Company's website www.ensurance.com.au.

9.3 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 respective dates of those sales were:

Highest	\$0.078	1 March 2018
Lowest	\$0.039	18 and 25 May 2018
Last	\$0.039	25 May 2018

9.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

9.5 Underwriting Agreement

By an agreement between the Underwriters and the Company (**Underwriting Agreement**), Patersons has agreed to severally underwrite 50% of the Offer and Transocean has agreed to severally underwrite 50% of the Offer (**Underwritten Amount**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters the following on a 50:50 basis:

- (a) an issue management fee of 1.5% of the total gross amount raised under the Offer; and
- (b) an underwriting fee of 6% of the total amount underwritten (all sub-underwriting fees and any third party broker fees will be paid by Patersons from this fee).

The obligation of the Underwriters to underwrite the Offer is subject to certain events of termination. The Underwriters may terminate their obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): any of the All Ordinaries Index or the S&P/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement 7.5% or more below its respective level for two consecutive Business Days prior to the allotment of new Shares; or
- (b) (**Prospectus**): the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
- (c) (**Copies of Prospectus**): the Company fails to comply with the requirement to give the Underwriters copies of the Prospectus and such failure is not remedied within 2 days; or
- (d) (**No Official Quotation**): ASX has advised the Company that it will or may not grant Official Quotation on or prior to the shortfall notice deadline date; or
- (e) (**Supplementary prospectus**):
 - (i) the Underwriters, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 9.5(p)(vi), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriters may reasonably require; or

- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriters; or
- (f) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by section 713 (or sections 710, 711 and 716) of the Corporations Act; or
- (g) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 (or sections 710, 711 and 716) of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (h) **(Restriction on allotment):** the Company is prevented from allotting the Rights Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (i) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriters) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (j) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (k) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (l) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (m) **(Hostilities):** there is an outbreak of material hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Japan, the United Kingdom, the United States of America, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (n) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriters;

- (o) **(Indictable offence)**: a director or senior manager of a relevant company is charged with an indictable offence;
- (p) **(Termination Events)**: subject to the carve-out below, any of the following events occurs:
 - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by a relevant company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect (as that term is defined in the Underwriting Agreement) or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriters' reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive in any material respect or that there was a material omission from them;
 - (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (vii) **(Public statements)**: without the prior approval of the Underwriters a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
 - (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriters in respect of any aspect of the Offer or the Issue or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ix) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (x) **(Change in Act or policy)**: there is introduced into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a

proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;

- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an Event of Insolvency (as that term is defined in the Underwriting Agreement) occurs in respect of a relevant company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a relevant company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: except as disclosed to the Underwriters prior to the Lodgement Date, material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any relevant company, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriters;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a relevant company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed);
- (xix) **(Force Majeure)**: a Force Majeure (as defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a relevant company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriters;
- (xxi) **(Capital Structure)**: any relevant company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;

- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the European Union or other international financial markets; or
- (xxiv) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriters may not exercise their rights under paragraph (q) unless, in the reasonable opinion of the Underwriters reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have:

- (a) a Material Adverse Effect (as that term is defined in the Underwriting Agreement); or
- (b) could give rise to a liability of the Underwriters under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

9.6 Lead Manager Mandate

The Company, Patersons and Transocean entered into a mandate on 10 April 2018 (duly amended on 16 May 2018), whereby Patersons and Transocean were appointed to act as Joint Lead Managers to the Offer (**Mandate**).

The Joint Lead Managers will receive those fees set out in Section 9.5 above for services provided pursuant to the Mandate which, for the avoidance of doubt, will not be duplicated. In addition, the Company will pay Patersons a corporate advisory fee of \$60,000 plus GST.

The Company has agreed not to offer, sell or market, contract to sell, otherwise dispose of or announce the sale, directly or indirectly, of any Shares or other securities which are convertible into or exchangeable or contain the right to acquire Shares, without the prior written consent of Patersons and Transocean for a period of six months commencing on the closing date of the Offer.

Further, the Company has agreed to offer the Patersons the lead role in any further equity capital raisings undertaken in connection with the Company within 12 months of completion of the Offer, subject to competitive terms in respect of pricing, fees and timing relative to market practices at that time.

9.7 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:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) 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, together with their respective Entitlement, is set out in the table below.

Director	Shares	Partly Paid Shares	Options	Entitlement under Offer	Convertible Notes ¹	\$
Tony Leibowitz	8,596,549	Nil	10,150,000	8,596,549	1	343,862
Adam Davey	604,090	4,000,000	3,000,000	604,090	1	24,164
Tony Wehby ²	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- This Convertible Note is the subject of a deed of assignment and assumption between the Company, Adam Davey and Kalonda dated 31 December 2017 pursuant to which 50% of the \$200,000 convertible loan agreement between Mr Davey and the Company was assigned to Kalonda. As a result of the placement completed by the Company on 1 May 2018, the conversion price of the Convertible Notes on issue have been re-set to \$0.04. The Convertible Note may therefore be converted into Shares on a one-for-one basis at a conversion price of \$0.04, which would result in 2,500,000 Shares being issued to Kalonda. The Convertible Note also has an interest rate of 8% per annum and a term of three (3) years after the subscription date.
- Tony's Wehby's wife, Rosemary Anne Wehby, has entered into a sub-underwriting agreement with Patersons pursuant to which she has agreed to sub-underwrite up to 1,250,000 Shares. Rosemary Anne Wehby does not currently hold any securities in the Company and will therefore acquire a maximum interest in 3.6% of the Shares on issue if she is required to sub-underwrite her full commitment. Rosemary Anne Wehby will be paid a sub-underwriting fee of \$2,000 by Patersons.

The Board recommends all Shareholders take up their Entitlement and advises that:

- (a) Adam Davey intends to take up his Entitlement and Mr Davey, as trustee for the Davey Investment Account, has been engaged to sub-underwrite part of the Offer. Refer to Section 5.8(c) for further details.

- (b) Tony Leibowitz intends on taking up his Entitlement and his controlled entity, Kalonda, has been engaged to sub-underwrite part of the Offer. Refer to Section 5.8(b) for further details.

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. The current amount has been set at an amount not to exceed \$250,000 per annum.

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.

In addition to being a Non-Executive Director, Adam Davey holds the role of Director, Wealth Management, at Patersons Securities Limited.

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

Director	Year ending 30 June 2018 (\$)	Year ended 30 June 2017 (\$)
Tony Leibowitz ¹	258,099	-
Adam Davey	68,437	109,500
Tony Wehby ²	9,125	-

Notes:

1. Tony Leibowitz was appointed as a Director on 27 September 2017.
2. Tony Wehby was appointed as a Director on 3 May 2018.
3. Stefan Hicks resigned on 3 May 2018.

9.8 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:

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Patersons Securities Limited will be paid an underwriting fee of approximately \$207,734 together with a \$51,934 management fee in respect of this Offer. Patersons Securities Limited will also be paid \$60,000 plus GST for corporate advisory services provided to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has been paid fees totalling \$38,495 by the Company.

Transocean Securities Pty Ltd will be paid an underwriting fee of approximately \$207,734 together with a \$51,934 management fee in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Transocean Securities Pty Ltd has been paid fees totalling \$466,250 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (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 \$91,538.50 (excluding GST and disbursements) for legal services provided to the Company.

9.9 Consents

Each of the parties referred to in this section:

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

Patersons Securities Limited has given its written consent to being named as

underwriter to the Offer in this Prospectus, in the form and context in which it is named.

Transocean Securities Pty Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named.

Transocean Securities Pty Ltd holds 3,269,894 Options. Transocean Securities Pty Ltd does not propose to exercise these Options prior to the Record Date.

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.

9.10 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$635,594 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	15,853
Underwriting fees	415,473
Management fees	103,868
Corporate advisory fee	60,000
Legal fees	15,000
Printing and distribution	8,000
Miscellaneous	15,000
Total	635,594

9.11 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 Forms. If you have not, please phone the Company on +61 2 9806 2000 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 <http://www.ensurance.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.

9.12 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

The Company will not be issuing option 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.

9.14 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.

10. 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.



Tony Leibowitz
Executive Chairman
For and on behalf of
ENSURANCE LIMITED

11. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

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.

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

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

Company or **Ensurance** means Ensurance Limited (ACN 148 142 634).

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

Convertible Note means a convertible note on issue in the Company as described in the notes to the tables in Sections 6.4 and 9.7.

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

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

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Ensurance Group means the Company and its five subsidiaries, being SHC, Savill Hicks Corp (NSW) Pty Ltd, Ensurance Underwriting, Ensurance IT and Ensurance Life.

Ensurance IT means Ensurance IT Pty Ltd (ACN 090 514 015).

Ensurance Life means Ensurance Life Pty Ltd (ACN 602 344 178).

Ensurance Underwriting means Ensurance Underwriting Pty Ltd (ACN 158 973 365).

Entitlement means the entitlement of a Shareholder who is eligible to subscribe for Shares under the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Joint Lead Managers means Patersons and Transocean.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Patersons means Patersons Securities Limited (ACN 008 896 311).

Performance Right means a Class A Performance Right or Class B Performance Right with the terms and conditions set out in the notes to the tables in Section 6.4.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

SHC means Savill Hicks Corp. Pty. Ltd. (ACN 009 392 125).

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.10.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Transocean means Transocean Securities Pty Ltd (ACN 009 230 120).

Underwriter means any one of Patersons or Transocean and **Underwriters** means both Patersons and Transocean.

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