



Prospectus

Eon NRG Limited

ACN 138 145 114

For a renounceable pro rata offer to Eligible Shareholders of approximately 406,389,160 New Shares at an issue price of \$0.007 per New Share on the basis of 1 New Share for every Existing Share held, together with one attaching Option for every New Share issued, to raise up to approximately \$2.845 million before issue costs.

Shareholders may, in addition to their Entitlement, apply for Shortfall Shares.

ASX Code: E2E

The Offer is partially underwritten by CPS Capital Group Pty Limited for \$1.2 million.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 6 February 2019 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.eonnrg.com or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions, please call the Company Secretary on +61 (0)8 6144 0590 at any time between 8.00am and 5.00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Mark Stowell Chairman
John Whisler Managing Director
Gerry McGann Non Exec. Tech. Director
Matthew McCann Non Exec. Director

Company Secretary

Simon Adams
Email: sadams@i-og.net

Website

www.eonnerg.com

Registered Office

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Perth WA 6000
Tel: +61 (0)8 6144 0590

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St George's Terrace
PERTH WA 6000

Tel: +61 1300 728 779

Lead Manager of the Offer

CPS Capital Group Pty Ltd
Level 45, 108 St George's Terrace
PERTH WA 6000

Solicitor to the Offer

Atkinson Corporate Lawyers
Level 8, 99 St George's Terrace
PERTH WA 6000

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement (Ex Date)	8 February 2019
Rights trading starts on a deferred settlement basis	
Record date to determine Entitlement (Record Date)	11 February 2019
Prospectus with Entitlement and Acceptance Form dispatched	14 February 2019
Offer opens for receipt of Applications	
Rights trading ends	21 February 2019
Closing date for acceptances	28 February 2019
Notify ASX of under-subscriptions	5 March 2019
Issue of New Shares	6 March 2019
Deferred settlement trading ends	
Dispatch of shareholding statements	
Normal trading of New Shares expected to commence	7 March 2019
Last date to issue Shortfall Shares (see section 8.6)	28 May 2019

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	406,389,160
Total Options currently on issue	204,194,580
New Shares offered under this Prospectus ¹	406,389,160
New Options offered under this Prospectus (consisting of attaching New Options to Shares issued under the Offer and Shortfall Offer, and 8,000,000 New Options offered to the Underwriter and its nominees)	414,389,160
Amount raised under this Prospectus (before costs) ¹	\$2,844,724

Notes:

- 1 This assumes no further Shares are issued prior to the Record Date.

3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of Eon NRG Limited ("Eon" or "the Company"), I am pleased to invite you to participate in a capital raising via a pro-rata entitlement offer, details of which are enclosed in this Prospectus. The Offer is partly underwritten by the lead manager, CPS Capital Group for \$1.2 Million. The Offer is renounceable so rights are tradeable on ASX during the specified period.

The offer of New Shares and New Options comprises of:

- (a) Entitlement Offer - Renounceable Pro-rata Entitlement Offer to all Eligible Shareholders of 1 New Share for every Existing Share held at the Record Date at an issue price of \$0.007 per New Share plus one additional option for every Share issued to raise approximately \$2.845million (before costs); and
- (b) Shortfall Offer - If the Entitlement Offer is not fully taken up, an offer of the Shortfall Shares at the Director's discretion and in accordance with the Underwriting Agreement. Shareholders who wish to apply for additional New Shares in excess of their pro-rata Entitlement may do so.

The issue price represents a 57% discount to the VWAP of the Company's Shares on the ASX over the last 15 trading days prior to the announcement to ASX on 6 February 2019.

Eon is an oil and gas exploration and production company with assets in onshore USA (Wyoming and California). The Company is focused on development of its recently acquired leases in the Powder River Basin, Wyoming (**PRB Project**). Eon's technical team is analysing in detail a number of locations in the PRB Project to drill new oil wells to increase the company's oil production, cashflow and oil reserves.

The purpose of the capital raising is for working capital including permitting and drilling costs on the PRB project, and set out in more detail in section 5 of this Prospectus. I (through my associated company) plan to subscribe for shares under the Offer.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this Offer. In particular, Eligible Shareholders and investors should consider the key risk factors outlined in section 6 of this Prospectus, including exploration and production risks from drilling of oil wells.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for the Company. The Closing Date for acceptance of the Entitlement Offer is 5:00pm (AEDT) on 28 February 2019 (unless extended).

If you have any questions in relation to the Offers or the New Shares or New Options, please call the Company Secretary on +61 (0)8 6144 0590, the Lead Manager, CPS, on +61 (0)8 9223 2222 or your professional advisor.

Yours sincerely,



Mark Stowell
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information															
What is the Offer?	<p>1 New Share for every Existing Share held on the Record Date at an issue price of \$0.007, with 1 attaching New Option for every New Share issued.</p> <p>The Offer seeks to issue up to 406,389,160 New Shares and 406,389,160 New Options to raise up to approximately \$2.845 million (before costs) if fully subscribed.</p> <p>This Prospectus also contains an offer of 8,000,000 New Options to the Underwriter and its nominees (see section 8.4).</p>	Section 8															
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5.00pm (AEDT) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p> <p>Shareholders who are not eligible to participate in the Offer may not participate in the Offer.</p>	Section 8.5															
How will the proceeds of the Offer be used?	<table border="1"> <thead> <tr> <th>Use of funds (AUD)</th> <th>Underwritten Amount</th> <th>Full Subscription</th> </tr> </thead> <tbody> <tr> <td>Well permitting costs</td> <td>\$170,000</td> <td>\$170,000</td> </tr> <tr> <td>Working Capital including well drilling costs</td> <td>\$881,000</td> <td>\$2,505,000</td> </tr> <tr> <td>Costs of the Offer</td> <td>\$149,000</td> <td>\$170,000</td> </tr> <tr> <td>Total use of funds</td> <td>1,200,000</td> <td>2,845,000</td> </tr> </tbody> </table>	Use of funds (AUD)	Underwritten Amount	Full Subscription	Well permitting costs	\$170,000	\$170,000	Working Capital including well drilling costs	\$881,000	\$2,505,000	Costs of the Offer	\$149,000	\$170,000	Total use of funds	1,200,000	2,845,000	Section 5.3
Use of funds (AUD)	Underwritten Amount	Full Subscription															
Well permitting costs	\$170,000	\$170,000															
Working Capital including well drilling costs	\$881,000	\$2,505,000															
Costs of the Offer	\$149,000	\$170,000															
Total use of funds	1,200,000	2,845,000															
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> There is no guarantee that the oil price will increase, or that assets will be successful drilled. Oil and gas exploration is a speculative endeavour and involves a high degree of risk. There is no guarantee that the exploration and development of any oil and gas assets acquired by the Company can be profitably exploited. Commodity Risk - The prices of oil and gas are outside the control of the Company and fluctuate; the prices impact 	Section 6															

Question	Response	Where to find more information
	<p>the availability and costs of opportunities for Eon, and any future revenue and profitability from the sale of oil and/or gas.</p> <ul style="list-style-type: none"> • Exchange Rate Risk - The Company operates in USD and A\$. Exchange rates fluctuate. The Company does not hedge currencies, but the current policy is to convert the majority of its cash balances to USD when appropriate. • Loan refinancing - The Company has a line of credit (currently drawn to approximately US\$6.1m) due for renewal on 1 July 2019. The Company is in compliance with the terms of the facility and has no reason to believe that the facility will not be renewed upon maturity. • Well drilling cost estimates - The Company has not finalised costing for new wells and is unable to do so until the permitting and detailed well plans are completed and put to tender. The well costs are also dependent on the number of wells completed in the same program. • Reliance on key personnel - Eon's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near-term operations are likely to be of central importance. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the implementation, development and operation of its business strategy. • Funding Risk - The Company may require capital in addition to the amount being sought in the Offer to continue exploring and appraising its existing assets. As and when further funds are required, either for the existing assets or for acquisitions, the Company will consider raising additional capital from sale of assets and/or issue of equity securities and/or debt finance if appropriate. There is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all. • Commercialisation and access to infrastructure - Eon's future performance will be impacted by its ability to source and access equipment and services and product transportation routes and processing facilities. The ability 	

Question	Response	Where to find more information
	<p>of the Company to access infrastructure economically or at all is largely out of the Company's control and therefore may have an adverse impact on future performance.</p> <ul style="list-style-type: none"> • Environmental Risk - The Company is subject to laws and regulations to minimise the environmental impact of any operations as well as rehabilitation of any areas affected by any operation carried out on the areas leased by the Company. These laws can be costly to operate under and can change further adversely affecting the Company. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
Is the Offer underwritten?	The offer is partially underwritten by CPS Capital Group Pty Limited for \$1,200,000.	Section 8.4
Is the Offer subject to any conditions?	No, although the Company reserves the right to withdraw the Offer at any time.	Section 8.2
What will be the effect of the Offer on control of the Company?	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>The Underwriter may increase its voting power from nil to a maximum of 30% in the event no applications are received under the Offer and the Underwriter does not allocate any shortfall to sub-underwriters.</p> <p>The Underwriter has informed the Company that presently it does not have any intention to change the nature or operations of the Company following the Offer, use its holding to control the Company or to seek additional Board representation or to otherwise make any changes to the Company's Board.</p>	Section 5.7
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for.	Section 7.2

Question	Response	Where to find more information
Can I sell my Entitlements under the Offer?	Yes, the Offer is renounceable meaning Entitlement may be transferred.	Section 7.4
How will the Shortfall Shares be allocated?	The Directors reserve the right to place any Shortfall Shares at their discretion within 3 months of the Closing Date.	Section 8.6
How can I obtain further advice?	Contact the Company Secretary on +61 (0)8 9144 0590 at any time between 8.00am and 5.00pm (Perth time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately \$2.845 million before issue costs under the Offer at a price of \$0.007 per Share on the basis of 1 New Share for every Existing Share held as at the Record Date, with 1 New Option for every New Share issued.

Shareholders may, in addition to their Entitlement apply for Shares under the Shortfall Offer.

5.2 Company and Project overview

Eon NRG Limited (“Eon” or “the Company”) has owned and operated oil and gas fields in USA since 2009.

In September 2018 the Company acquired over 15,000 acres of oil and gas leases in the Powder River Basin, Wyoming, USA (“PRB Leases” or the “PRB Project”). Eon has a 100% working interest in all of the new leases, which have terms of 10 years, a 12.5% royalty and no drilling commitments. The Company has the ability to joint venture new wells to spread risk and enable more wells to be drilled.

The PRB Leases were acquired with the objective of identifying drill prospects that would support the drilling of potentially economic new wells. Success from the new wells would increase oil production, cashflow and oil reserves.

Funds raised through this Offer will be used for working capital including permitting and drilling in the PRB Project.

The Company also owns and operates a number of producing oil and gas fields in Wyoming and California.

5.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (A\$) (approx.) ¹	Underwritten Amount	Full Subscription
Well permitting costs	170,000	170,000
Working Capital including well drilling	881,000	2,505,000
Costs of the Offer ^{2,3}	149,000	170,000
Total use of funds	1,200,000	2,845,000

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Fully Subscription is received, be allocated firstly towards the costs of the Offer and then to the working capital including drilling costs.
- 3 See section 10.5 for further details relating to the estimated expenses of the Offer.

5.4 Statement of financial position

Set out in section 13 is the unaudited Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 December 2018 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2018;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) take up of the Offer assuming the Underwritten Amount and Full Subscription are received;
- (d) costs of the Offer are \$149,000 (Underwritten Amount) and \$170,000 (Full Subscription); and
- (e) Loans with a balance of US\$6,112,170 and which are due for renewal on 1 July 2019 are treated as current liabilities.

The pro-forma Statement of Financial Position has been prepared from management accounts to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 13. The 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. The Company's functional and reporting currency is US Dollars.

Eon's audited annual and half yearly reports are available on the Company's website (www.eonnrng.com). The pro-forma balance sheet (Section 13) is shown in US Dollars with funds raised in this offer converted at an exchange rate of US\$0.72 : AU\$1.00.

5.5 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	406,389,160	70.33	406,389,160	50.00
New Shares offered under this Prospectus	171,428,571	29.67	406,389,160	50.00
Total Shares	577,817,731	100	812,778,320	100

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Options	204,194,580	53.23	204,194,580	33.01
New Options offered under this Prospectus	171,428,571	46.69	406,389,160	65.70
Options offered to the Underwriter and its nominees	8,000,000	2.09	8,000,000	1.29
Total Options	383,623,151	100.00%	618,583,740	100.00%

The terms of the existing Options on issue allow for a reduction of the exercise price in the event the Company undertakes a rights issue. The Company will announce the change following the issue of securities under the Offer.

5.6 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

(a) Underwriter

The Underwriter has advised the Company that neither it, nor any of its associates, currently has a relevant interest in any Shares.

As detailed in section 8.4 of this Prospectus, the Underwriter has agreed to partially underwrite up to 171,428,571 New Shares under the Offer. The Underwriter's relevant interests in the Company following the Offer will depend upon the number of New Shares taken up and the number of New Shares subscribed for by sub-underwriters.

Assuming no further Shares are issued prior to the Record Date and no Shortfall Shares are issued to sub-underwriters, the maximum number of Shares the Underwriter will have a relevant interest in and their voting power will be as follows:

Underwriter ¹	Number	%
Existing	0	0.00
Underwritten Amount ²	171,428,571	30.00
Full subscription	171,428,571	21.00

1 Includes Share held by associates

2 This excludes any Shares held by the Underwriter as a result of exercising Options issued to the Underwriter. The Underwriter may only acquire Shares upon exercising Options in compliance with sections 606 and 611 of the Corporations Act (the "20% rule").

The Underwriter has informed the Company that presently it does not have any intention to change the nature or operations of the Company following the Offer, use

its holding to control the Company or to seek additional Board representation or to otherwise make any changes to the Company's Board.

(b) Others

As the Offer is renounceable, for the purposes of Listing Rule 7.7.1(c) and section 615 of the Corporations Act, the Company has appointed a nominee to arrange for the sale of the entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale.

Eligible Shareholders may rely upon item 10 of section 611 of the Corporations Act (**rights issue exception**) to have a voting power of 20% or more by taking up their Entitlements under the Offer. Eligible Shareholders are not able to rely on the rights issue exception to take up Shortfall Shares in addition to their Entitlements if the Eligible Shareholder will have a voting power of 20% or more as a result of such acquisition.

5.7 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	75,000	0.02%	75,000	75,000	0.01%
2	750,000	0.18%	750,000	750,000	0.09%
3	7,500,000	1.85%	7,500,000	7,500,000	0.92%
4	10,000,000	2.46%	10,000,000	10,000,000	1.23%

6 RISK FACTORS

The New 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 and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are 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 New Shares.

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

6.1 Risk specific to the Offer

(a) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.7 above.

(b) Control

The Directors have taken reasonable steps to help ensure a reasonable distribution of voting power under the Offer. However, assuming some shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

6.2 Company and industry specific risks

The risks outlined below are specific to the Company's operations and to the industry in which the Company operates.

(a) Technical Knowledge

It is possible that despite assurances from work undertaken, circumstances may arise where technical failure, amongst other factors, will impact on the deliverability of the outcomes associated with the development of the Company's projects. Circumstances that have been identified as high technical risk include oil well deliverability, lower than expected reservoir deliverability over the life of the field, well system failure during the production cycle, lack of hydrocarbons present, wet formations and inlet pressure being below specification and unable to deliver at design rates for an extended period.

To the extent that technical failure cannot be successfully mitigated through planning and control practices, there is a risk that this may have an adverse impact on the financial position, financial performance and/or share price of the Company.

(b) Exchange rates

The Company's revenue from oil sales (both existing and future) will be received in US dollars which subjects the Company to exchange rate volatility and fluctuations.

Accordingly, any appreciation or depreciation of the Australian dollar against the US dollar will affect the Company's value independently of its operational success or otherwise. The Company's functional currency is USD.

(c) Loan refinancing

The Company has a revolving line of credit facility with ANB Bank. As at 31 December 2018, the facility limit was US\$7,000,000 and the credit facility was drawn to \$6,127,160. The loan is secured against the Company's US oil and gas assets.

The loan is due for renewal on 1 July 2019 and as a result will be classified as a current liability in the Company's consolidated statement of financial position as at 31 December 2018. This line of credit has been in place with ANB Bank since 2015 and renewed since then, and can under its terms, subject to bank approval, be rolled over to a new 12-month facility.

The Board has no reason to believe that the loan facility will not be renewed on expiry of the current term. In the event that the ANB Bank does not renew the loan facility, the Company would have to refinance the line of credit with another financial institution, sell assets or seek equity from investors to replace this debt.

(d) Well drilling cost estimates

The Company has not completed its cost estimates for new wells and is unable to do so until permitting and detailed well plans are completed and put to tender. The well costs are also dependent on the number of wells completed in the same program.

(e) Volatility of oil and gas prices

The Company relies on the sale of oil, gas and refined products from its existing assets to generate cash flow. Prices for oil and gas are subject to fluctuations and are affected by numerous factors beyond the control of the Company. These fluctuations will have an impact the financial results of and the ability of the Company to secure funding for future opportunities.

These risk factors include, but are not limited to, global consumer demand, national and international financial market conditions, uncertainty in commodity markets, political and economic conditions in oil producing countries, actions of the Organisation of the Petroleum Exporting Countries (OPEC) (or its members), government pricing regulations, taxation and availability of alternative and competing fuel sources.

Lower oil and gas prices may not only decrease revenue, but may also reduce the amount of oil and gas that can be economically produced.

(f) Exploration and production

Oil and gas exploration is a speculative investment and involves a high degree of risk. There is no guarantee that exploration and development of the oil and gas concessions or leasehold interests owned by Eon or any projects that the Company may acquire in the future, can be profitably exploited.

Exploration is a speculative endeavour with an associated risk of discovery of finding any oil and gas in commercial quantities and risks associated with development of a

field. No assurances can be given that funds spent on exploration will result in discoveries that will be commercially viable.

The future profitability of the Company and the value of its Shares are directly related to the results of exploration, development and production activities as well as costs and prices as noted above.

Development and production of oil and gas projects may be exposed to lower than expected reserve outcomes, cost overruns, production decrease or stoppage, which may be the result of facility shutdowns, mechanical or technical failure and other unforeseen events. A significant poor development outcome or failure to maintain production could result in the Company lowering reserve and production forecasts, loss of revenue and additional operating costs to restore production. In some instances, a loss of production may incur significant capital expenditure, which could require the Company to seek additional funding.

(g) Drilling

Drilling of oil and gas wells is subject to numerous risks, many of which are beyond the Company's direct control. Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, unexpected drilling conditions, mechanical difficulties, delays in government or regulatory approvals, availability of the necessary technical equipment and appropriately skilled and experienced technicians. Drilling may result in wells that, whilst encountering oil and gas, may not achieve commercially viable results. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations.

(h) Operating

Any future operations of the Company may be delayed or adversely affected by factors which are beyond the control of the Company including but not limited to surface access restrictions, compliance with current and new governmental requirements, technical issues, access to equipment, supplies, personnel and transportation, delays in the commissioning of plant and equipment, adverse weather conditions, environmental hazards, labour disputes or industrial accidents.

The overall nature of the oil and gas industry is hazardous and entails many inherent risks, including (among other things) fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties; or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against the Company.

Even if the Company maintains insurance on par with industry standards, such insurance will not fully protect against all risks inherent in the Company's activities, as full insurance coverage may not be available or may be cost prohibitive. As a result, any losses the Company sustains may only be partially covered by insurance, if at all.

(i) Reliance on key personnel and advisors

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.

(j) Reliance on third party infrastructure

Oil and gas exploration and development activities are dependent on the availability of drilling and related equipment, (typically leased from third parties) in the particular areas where such activities will be conducted and access to infrastructure. Demand for such limited equipment or access restrictions may delay exploration and development activities or may require the Company to develop its own infrastructure.

The Company will rely on third party transportation infrastructure in order to deliver its production to the market. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the Company.

(k) Reserves and resource estimates

Oil and gas reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter or become uncertain when new information becomes available on the oil and gas reservoirs through additional drilling or reservoir engineering tests over the life of a field.

In addition, reserve and contingent resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. The actual reserves or contingent resources may differ from those estimated which may result in the Company altering its plans which could have either a positive or negative effect on its operations. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development.

Changes in reserve estimates could also impact the Company's ability to maintain its borrowing capacity with its current or future lenders.

The Company's reserves as at 31 December 2018 will be assessed by an independent third party reservoir engineer in H1, and if reserves are reduced there is a risk of impairment to the oil and gas assets which could impact the pro-forma balance sheet included herein (section 13).

(l) Environmental

The Company's exploration, development and production activities are subject to state and federal environmental laws and regulations in the United States. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could adversely affect the Company. In addition to governmental legal action, private parties may pursue legal actions to enforce these laws and regulations against industry participants.

Oil and gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses. The Company's operations will be subject to environmental controls relating to hazardous operations.

The Company recognizes rehabilitation provision for plugging and abandoning wells at the end of their economic life. The provision is based on estimates provided to the Company and those estimates are regularly reviewed to take into account any material changes to the assumptions. Certain assumptions are based on information provided by management's appropriate qualified expert. The estimate is complex and highly subjective (as disclosed in the notes to the Company's financial reports), and there is a risk that rehabilitation provisions may not be sufficient.

(m) Legislative changes, government policy and approvals

Changes in government, monetary policies, taxation and other laws in the United States, Australia or internationally may impact the Company's operations and the value of its shares.

The Company requires government regulatory approvals for its operations.

The impact of actions, including delays and inactions, by state and federal governments may affect the Company's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be provided to the Company by government bodies, or if they are, that they will be renewed, or that the Company will be in a position to comply with all conditions that are imposed.

(n) Occupational health and safety

Exploration and production of oil and gas may expose the Company's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a license or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

(o) Risk of impairment write-downs

Accounting rules may require the Company to write-down the value of its properties for certain impairments such as declining crude oil and natural gas prices, increased development costs, or poor drilling results.

6.3 General risks

(a) General market and share price

There are general risks associated with investments in equity capital such as the Company's Shares. The trading price of the Company's Shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Issue Price.

Generally applicable factors which may affect the market price of shares include:

- (i) general movements in Australian and international stock markets;
- (ii) investor sentiment;
- (iii) Australian and international economic conditions and outlook;
- (iv) commodity prices;
- (v) changes in interest rates and the rate of inflation;
- (vi) changes in government legislation and policies, including taxation laws and foreign investment legislation;
- (vii) announcement of new technologies; and
- (viii) geo-political instability, including international hostilities and acts of terrorism.

Further, the effect of these conditions on the Company's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in the Company being unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse impact on its financial position, financial performance and/or share price. The operational and financial performance and position of the Company's share price may be adversely affected by a worsening of international economic and market conditions and related factors. It is also possible that new risks might emerge as a result of global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable.

(b) Taxation

The acquisition and disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All Eligible Shareholders are urged to obtain independent financial advice about the consequences of acquiring New 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 New Shares under this Prospectus.

(c) Speculative nature of investment

The Directors and management of the Company will, to the best of their knowledge, experience and ability (in conjunction with senior management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors and management to do so may be affected by matters outside their control and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, may in the future materially affect the financial performance of the Company and the value of Shares.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Securities (see section 7.3);
- (c) sell all of your Entitlement (see section 7.4);
- (d) take up part of your Entitlement and sell the balance (see section 7.5);
- (e) transfer your Entitlement other than on ASX (see section 7.6); or
- (f) allow all or part of your Entitlement to lapse (see section 7.7).

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares and attaching Options offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

7.2 Subscribe for all or part of your Entitlement

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares and attaching options you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.6 for details of the manner in which Shortfall Shares will be allocated.

A cheque, bank draft or money order should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®¹, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 7pm Australian Eastern Daylight Savings Time on 28 February 2019.

Any refund of application monies will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

7.4 Sell all of your Entitlement

Complete the section marked “Instructions to Stockbroker” on the back of the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 8 February 2019. Sale of your Rights must be completed by 21 February 2019 when Rights trading is expected to cease.

7.5 Take up part of your Entitlement and sell the balance on ASX

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and complete the section marked “Instructions to Stockbroker” on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Company’s share registry, by 5.00 pm Australian Eastern Daylight Savings Time on 28 February 2019.

Cash will not be accepted and no receipts will be issued.

Rights trading will commence on ASX on 8 February 2019. Sale of your Rights must be completed by 21 February 2019 when Rights trading is expected to cease.

7.6 Take up part of your Entitlement and transfer the balance other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) together with your personalised Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate application money to reach the Company’s share registry (at the postal address shown below), by 5.00 pm Australian Eastern Daylight Savings Time on 28 February 2019.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

¹ Registered to BPAY Pty Ltd ABN 69 079 137 518

Cash will not be accepted and no receipts will be issued.

7.7 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.8 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5.00pm AEDT on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm AEDT on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

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

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Eon NRG Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.007 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following addresses by no later than 5.00pm (AEDT) on the Closing Date:

By Post To:

Eon NRG Ltd
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

7.9 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and

- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every Existing Share held as at the Record Date at a price of \$0.007 per New Share, with 1 New Option for every new Share issued, to raise up to approximately \$2.845 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 Minimum subscription

There is no minimum subscription for the Offer as it is underwritten for \$1,200,000.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

The Underwriter has agreed to partially underwrite the Offer for 171,428,571 Shortfall Shares in accordance with the Underwriting Agreement. The Underwriter will be paid the following fee (**Underwriting Fee**):

- (a) 8,000,000 New Options (see below);
- (b) \$60,000;
- (c) 1% management fee on total amount raised under the Offer;
- (d) 5% of the Underwritten Amount (\$60,000); and
- (e) 5% of any Shortfall Securities placed by the Underwriter in excess of the Underwritten Amount.

The Underwriter is also entitled to a management fee of 1% on all amounts raised under the Offer. The Underwriter may at its election and subject to the Listing Rules elect to receive payments through the issue of New Shares at an issue price equal to the issue price under the Offer.

The Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Offer.

The underwriting of the Offer is conditional upon the satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (a) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Offer; and
- (b) the Underwriter being satisfied (in its sole and absolute discretion) with the form of the Prospectus and having given its consent to be named in the Prospectus prior to it being lodged.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (c) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (d) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (e) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) Indices fall: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (ii) Commodities: the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

- (iii) Prospectus: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (iv) No Listing Approval: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (v) No Official Quotation: ASX has advised the Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the shortfall notice deadline date;
- (vi) Price: the Issue Price is greater than the volume weighted average price of Shares as quoted by the ASX calculated over three days prior to allotment of Shortfall Securities; and
- (vii) Adverse change: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect 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 Underwriter's reasonable opinion, unlikely to be met in the projected time.

In accordance with section 706 of the Corporations Act, the Company offers the Underwriter 8,000,000 New Options under this Prospectus. This offer may only be accepted by the Underwriter or its nominees by completing a personalized application form which accompanies this Prospectus. The Company relies upon its 15% capacity under Listing Rule 7.1 to issue the New Options to the Underwriter and its nominees.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5.00pm (AEDT) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the

Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, issue Shortfall Shares at their discretion, and to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for. It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.7 New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

8.8 Treatment of Ineligible Shareholders and sale for Ineligible Shareholders' Entitlement

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

For the purposes of Listing Rule 7.7.1(c) and item 12 of section 611 of the Corporations Act, the Company has appointed the Underwriter as nominee to arrange for the sale of the Non-Eligible Foreign Shareholders' Entitlements and to account to them for the net proceeds of the sale.

The proceeds of sale (in Australian dollars) will be distributed to the Non-Eligible Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale).

8.9 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 6 March 2019 and normal trading of the New Shares on ASX is expected to commence on 7 March 2019.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	0.020	0.005	0.013
Date	18-Jan-19	15-Nov-18	1-Feb-19

8.13 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**). CHES is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHES, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

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

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

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to

communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer should be directed to the Company Secretary on +61 (0)8 6144 0590.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on 1300 728 779 or +61 1300 728 779.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. 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.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- (i) declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- (ii) determine that a dividend is payable, fix the amount and time for payment.

- (c) Future issues of securities
- Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.
- (d) Transfer of Shares
- A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.
- (e) Meetings and notices
- Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.
- Shareholders may requisition meetings in accordance with the Corporations Act.
- (f) Liquidation rights
- The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.
- (g) Variation of rights
- Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act
- (h) Election of directors
- At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.
- (i) Indemnities
- To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.
- (j) Winding up
- Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.2 Rights and liability attaching to New Options

The New Options to be issued under this Prospectus will be issued on the following terms and conditions:

(a) Entitlement

Subject to adjustment in accordance with these terms and conditions, each New Option entitles the Optionholder to subscribe for one (1) unissued Share upon payment of the Exercise Price (as defined below) before the Expiry Date (as defined below).

(b) Exercise Price

The exercise price of each Option is \$0.015 (Exercise Price)

(c) Expiry Date

An Option is exercisable at any time after the date of issue and on or before 22 February 2021 (Expiry Date). Options that are not exercised by the Expiry Date shall lapse.

(d) Notice of Exercise

The New Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each New Option being exercised. Any notice of exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

- (e) Minimum number of New Options exercised
- The Optionholder may not exercise less than 33,333 New Options at any one time, unless the Optionholder has less than 33,333 New Options in which case the Optionholder must exercise all their New Options together.
- (f) Shares issued on exercise
- Shares issued on exercise of the New Options rank equally with the Shares of the Company on issue at the date of this Prospectus.
- (g) Quotation of shares on exercise
- Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the New Options.
- (h) No certificate
- No certificate will be issued if the New Options are granted quotation on ASX.
- (i) Timing of issue of Shares
- After a New Option is validly exercised, the Company must as soon as possible:
- (i) issue the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 Business Days from the date of exercise of the New Option.
- (j) Participation in new issues
- An Optionholder may participate in new issues of equity securities to holders of Shares if and to the extent that:
- (i) a New Option has been exercised; and
 - (ii) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.
- Optionholders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Optionholders with notice prior to the record date to determine entitlement to any new issue of securities made to Shareholders generally, in accordance with the requirements of the Listing Rules.
- (k) Adjustment for bonus issues of Shares
- If the Company makes a bonus issue of Shares or other equity securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the Optionholder would have received if the Option holder had exercised the New Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes a pro-rata issue of Shares to existing Shareholders (other than a bonus issue), the Exercise Price of a New Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E(P - (S + D))}{N + 1}$$

O = the old Exercise Price of the New Option

E = the Number of underlying Shares into which one (1) New Option is exercisable

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro-rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(m) Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

(n) Quotation of New Options

An application for quotation of the New Options will be made by the Company to ASX.

(o) New Options transferable

The New Options are transferable. New Options may be transferred in the same manner as Shares unless classified as restricted securities under the Listing Rules and may be exercised by any other person or body corporate.

(p) Exercise instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the New Options with the appropriate remittance should be lodged at the Company's share registry.

(q) Voting and dividend rights

The New Options carry no rights to vote at a meeting of Shareholders, and no rights to dividends.

10 ADDITIONAL INFORMATION

10.1 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. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 period from lodgement of the Company's annual financial statements of the Company for the financial year ended 31 December 2017 to 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.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

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 statements of the Company for the financial year ended 31 December 2017 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2018 annual report was lodged with ASX on 29 March 2018:

Date	Description of Announcement
4/02/2019	Request for trading halt
29/01/2019	Q4-18 Quarterly Activities Report and Cashflow Statement
10/01/2019	Response to ASX Price and Volume Query
13/12/2018	Successful Gas Well and PRB Drilling Update
04/12/2018	Silvertip Gas Well Update
30/11/2018	Change of Director's Interest Notice - M McCann
27/11/2018	Gas Well at STU and PRB Drill sites initiated
27/11/2018	Substantial shareholder form and Director 3Y - M Stowell
22/11/2018	Record Sales and Gas Well Recompletion
31/10/2018	Q3-18 Quarterly Activities Report and Cashflow Statement
26/09/2018	15000 Acre Acquisition in Powder River Basin, Wyoming
19/09/2018	Change of Director's Interest Notice - M Stowell
14/09/2018	Change of Director's Interest Notice - M Stowell

Date	Description of Announcement
10/09/2018	Change of Director's Interest Notice - M Stowell
30/08/2018	Half Yearly Report and Accounts
09/08/2018	Change of Director's Interest Notice - M Stowell
09/08/2018	Expiry of Unlisted Options
09/08/2018	Addendum to Appendix 5B
07/08/2018	Powder River Basin Drill Prospect
31/07/2018	Q2-18 Quarterly Activities Report and Cashflow Statement
20/06/2018	Corporate Presentation Jun-18
31/05/2018	Results of 2018 AGM
31/05/2018	2018 AGM Presentation
23/05/2018	Silvertip Field Development Program
10/05/2018	Borie Oilfield Enhanced Oil Recovery
30/04/2018	Notice of Annual General Meeting/Proxy Form
23/04/2018	Quarterly Activities Report and App 5B Q1-18
16/04/2018	Successful Gas Well Recompletion

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 or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

	Remuneration	Shares	Options
Mr Mark Stowell ¹	US\$60,000	26,000,000	Nil
John Whisler	US\$321,000	8,865,100	2,500,000
Gerry McGann ²	US\$40,000	24,715,004	Nil
Matthew McCann	US\$40,000	7,526,374	6,288,374

1 Mr Stowell does not receive any fees for acting as chairman; however a controlled entity receives consulting fees for services provided outside the responsibilities of a non-executive director.

2 Superannuation is paid on top of the Non-executive Director Fee.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

CPS Capital Group Pty Limited has acted as lead manager and underwriter to the Offer. The fees to be paid for this service are set out in section 8.4. CPS Capital Group Pty Limited has received \$97,790 for services to the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$7,500 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
CPS Capital Group Pty Limited	Lead Manager and Underwriter
Atkinson Corporate Lawyers	Lawyer
Link Market Services Limited	Share Registry

10.5 Expenses of the Offer

The total cash expenses of the Offer are estimated to be up to \$176,750 (assuming full subscription), consisting of the following:

Cost	\$
Legal fees	10,000
ASX and ASIC fees	13,250
Capital raising fees	138,500
Share registry fees including printing, postage and other expenses	15,000

Total	\$176,750
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These expenses have or will be paid by the Company.

The Company will also issue 8,000,000 New Options to the Underwriter and their nominees in part consideration for lead managing and underwriting the Offer.

The Company may also pay a placement fee on Shortfall Shares placed (including a 5% fee for Shares placed by the Underwriter).

10.6 Litigation

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

11 DIRECTORS' RESPONSIBILITY AND CONSENT

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

Dated: 6 February 2019



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Signed for and on behalf of Eon NRG Limited

By Mark Stowell
Chairman

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AEDT	Australian Eastern Daylight Savings Time
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made by an Eligible Shareholder on an Entitlement and Acceptance Form to subscribe for Entitlement pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Eon NRG	Eon NRG Limited (ACN 138 145 114).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 5.00pm (AEDT) on the Record Date.
Full Subscription	approximately \$2,844,724 before costs.

Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
New Option	means an Option on the terms set out in section 9.2 and offered under this Prospectus.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
PRB Project	means the project to develop the Company's Powder River Basin acreage in Wyoming.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Link Market Services.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	has the meaning given in section 8.6.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
Underwriter	CPS Capital Group Pty Limited.
Underwritten Amount	means \$1,200,000.
US Dollars, USD, US\$	United States dollars
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

13 PRO FORMA STATEMENT OF FINANCIAL POSITION

US Dollars	31-Dec-18 (Unaudited)	Adjustment ^{1,3}		Post Rights Issue	
		Underwritten Amount	Full Subscription	Underwritten Amount	Full Subscription
Current assets					
Cash and cash equivalents	497,117	761,760	1,918,400	1,258,877	2,415,517
Trade and other receivables	587,053	-	-	587,053	587,053
Inventories	74,429	-	-	74,429	74,429
Total current assets	1,158,599	761,760	1,918,400	1,920,359	3,076,999
Non-current assets					
Other receivables	15,690	-	-	15,690	15,690
Other financial assets	674,506	-	-	674,506	674,506
Oil and gas properties	13,042,706	-	-	13,042,706	13,042,706
Exploration assets	252,538	-	-	252,538	252,538
Plant and equipment	1,673,442	-	-	1,673,442	1,673,442
Total non-current assets	15,658,882	-	-	15,658,882	15,658,882
Total assets	16,817,481	761,760	1,918,400	17,579,241	18,735,881
Current liabilities					
Trade and other payables	816,228	-	-	816,228	816,228
Borrowings ²	6,112,170	-	-	6,112,170	6,112,170
Provisions	137,404	-	-	137,404	137,404
Taxes payable	126,265	-	-	126,265	126,265
Total current liabilities	7,192,067	-	-	7,192,067	7,192,067
Non-current liabilities					
Provisions	5,756,442	-	-	5,756,442	5,756,442
Total liabilities	12,948,509	-	-	12,948,509	12,948,509
Net assets	3,868,972	761,760	1,918,400	4,630,732	5,787,372
Equity					
Issued Capital	(25,207,031)	(864,000)	(2,048,400)	(26,071,031)	(27,255,431)
Reserves	(347,187)	-	-	(347,187)	(347,187)
Accumulated (Profits)/Losses	21,685,246	102,240	130,000	21,787,486	21,815,246
Total Equity	(3,868,972)	(761,760)	(1,918,400)	(4,630,732)	(5,787,372)

1. Amounts raised and costs associated with this are converted from AUD to USD at a rate of USD0.72 : AUD1.00. The functional and reporting currency of Eon NRG Ltd is US Dollars.
2. Loan to ANB due to expire on 1 July 2019. This loan is renewable annually and the Directors have no reason to believe that it will not be renewed in July 2019 when it will be reclassified as a non-current liability.
3. Cash received is shown net of capital raising costs.