

# **ELIXIR ENERGY LIMITED**

**ACN 108 230 995**

## **PROSPECTUS**

For the offer of up to 1,000 Shares each at an issue price of \$0.06 per Share

**THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE OPTION SHARES**

**THIS OFFER CLOSSES AT 5.00PM ACST ON 19 AUGUST 2019**

**VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.**

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

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

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

## CORPORATE DIRECTORY

<b>Directors</b>
Mr Richard Cottee (Non Exec. Chairman) Mr Neil Young (Managing Director) Mr Stephen Kelemen (Non Exec. Director) Mr Dougal Ferguson (Non Exec. Director)
<b>Company Secretary</b>
Ms Victoria Allinson
<b>Registered and Corporate Office</b>
Level 10 50 Pirie Street Adelaide SA 5000
Telephone: (08) 6001 6938
<b>Share Registry*</b>
Security Transfer Australia Pty Ltd 770 Canning Highway, Applecross WA 6153, Australia
Telephone: +61 3 9268 2200 Facsimile: +61 8 9315 2233
<b>Stock Exchange Listing</b>
Australian Securities Exchange Home Exchange: Perth, WA ASX Code: EXR

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

## IMPORTANT INFORMATION

This Prospectus is dated 14 August 2019. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 10, 50 Pirie Street, SA 5000 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

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

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

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

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

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

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

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

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to ACST, unless otherwise indicated.

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## 1. Details of the Offer

### 1.1 The Offer

The Company is offering pursuant to this Prospectus 1,000 Shares each at an issue price of \$0.06 per Share (**Offer**).

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

### 1.2 Purpose of the Offer

The Company currently has 93,462,537 listed Options (ASX:EXROA), each exercisable at \$0.0679 on or before 31 December 2020, and 8,000,000 unlisted Options, each exercisable at \$0.0329 on or before 30 September 2019.

The Company's unlisted Options were issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. Under the terms and conditions of the unlisted Options, the Company is obliged to ensure that the Shares issued upon exercise of such Options are freely tradeable (ie, are not subject to the secondary trading sale restrictions in the Corporations Act) either by issuing a cleansing notice under section 708A(5) of the Corporations Act or a prospectus under section 708A(11) of the Corporations Act. The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its securities have been suspended from trading on the ASX for more than five trading days in the last 12 months.

Certain holders of the Company's unlisted Options have exercised their Options. As at the date of this Prospectus, the Company has received Option exercise notices for a total of 1,000,000 unlisted Options. Further Option exercise notices may be received by the Company before the Closing Date.

Accordingly, this Prospectus has been issued to facilitate secondary trading of any Shares that may be issued by the Company upon the exercise of unlisted Options on or before the Closing Date (**Option Shares**) as they will be issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Shares the subject of this Prospectus to on-sell those Shares within 12 months of their issue.

The Company is not issuing the Option Shares with the purpose of the persons to whom they are being issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

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

### **1.3 Opening and Closing Dates**

The Company will accept Application Forms until 5.00pm ACST on the Closing Date, being 19 August 2019, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

### **1.4 Application for Shares**

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm ACST on the Closing Date. Cheques must be made payable to "Elixir Energy Limited – Applications Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be mailed to Elixir Energy Limited, Level 10, 50 Pirie Street, Adelaide, SA 5000.

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

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

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

### **1.5 Application Monies**

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

### **1.6 Issue of Shares**

The Company may issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

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

### **1.7 ASX quotation**

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

### **1.8 CHES**

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

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

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

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

A CHESS statement or Issuer Sponsored statement will routinely be sent to 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.

## **1.9 Residents outside Australia**

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **1.10 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

## **1.11 Taxation implications**

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

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

## **1.12 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2018 is in the Annual Report which was lodged with ASX on 28 September 2018 and is available at [www.asx.com.au](http://www.asx.com.au).

A summary of activities relating to the Company for the half-year ended 31 December 2018 is included in the Half Yearly Report, lodged with the ASX on 15 March 2019.

The Company's continuous disclosure notices (i.e. ASX announcements) since 28 September 2018 are listed in Section 4.3.

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

### **1.13 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 8470 0135.

### **1.14 Privacy**

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

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

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

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## 2. Risk Factors

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

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

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

### 2.1 Specific Risks associated with the Company

#### (a) Commodity price volatility risk

It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale.

The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.

#### (b) Country Risk

The Company has a significant exposure to Mongolia including exposure to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of the Mongolian CBM PSC, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes to oil and gas exploration policies or shifts in political attitude in Mongolia may adversely affect the Company's operations and may have a material adverse effect on the Company's overall financial performance. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people and, water use. Failure to comply strictly with applicable laws, regulations

and local practices relating to exploration or production activities, could result in loss, reduction or expropriation of interests.

The legal system in Mongolia may be less developed than more established countries, which may result in risk such as: (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental agencies; (iii) the lack of political or administrative guidance on implementing applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and court in such matters. There can be no assurance that joint ventures, licences (or licence applications), permits (or permit applications) or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of the enforcement of such arrangements cannot be assured.

(c) **Permit grant and maintenance risk**

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing acreage in the future.

The lease, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time to time and might impact the cost base and hence profitability of a particular project.

The Mongolia CBM PSC requires the Company, via its wholly owned subsidiary GOH LLC, to meet certain annual expenditure commitments to retain the CBM PSC during the exploration phase. The Company, through GOH LLC, may be prevented from achieving these annual expenditure commitments for unforeseen reasons outside the control of the Company or due to lack of funding. If this were to occur, the CBM PSC may be cancelled or terminated prior to the CBM PSC expiry date, which may have a material adverse effect on the Company's overall financial performance.

In France, oil and gas exploration and production activities are carried out under permits awarded to parties by the French Government in accordance with the terms of the Mining Code 1955 and associated regulations. During the exploration phase, and prior to the determination of a production area, permits have a fixed duration. The initial five year term for the permit comprising the Company's Moselle Project in France expired in January 2014 and a renewal was finally awarded for a second five year term in December 2017, expiring on 20 January 2019.

The Company lodged its application for a three-year extension of the second exploration period on 5 April 2018, which if granted will extend the expiry of the second exploration period to 20 January 2022. No reply has yet been received with respect to this extension request. The Company also has the right to apply for a third exploration period on expiry of the second exploration period, which will extend the term of the Moselle Permit for a further five years, subject to the Company continuing to meet its license obligations within the second exploration period and a relinquishment of a further 25% of the original license area. Given the extensive delays in receiving the renewal into the second exploration period, the Company may not be in a position to meet its expenditure commitments in the second exploration period and therefore there is a risk that the Company will not be successful in obtaining an extension of the second exploration period or being granted a renewal of the Moselle Permit into a third exploration period.

(d) **Exploration and development risks**

Oil and gas exploration involves significant risks including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas or CBM gas production. Selecting a drilling location is influenced by the interpretation of geological, geophysical and seismic data, which is a subjective science and has varying degrees of success. Other factors, including land access rights and regulatory rules, may impact the Company's decisions with respect to well locations. 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. The costs of drilling, completing, equipping and operating wells are typically uncertain before drilling commences.

The area covered by the Mongolian CBM PSC is at an early stage of exploration. There is no certainty that exploration within the Mongolian CBM PSC area will result in the discovery of an economic CBM deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the lack of infrastructure in the region.

The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities in close proximity to its projects. If the results obtained by other companies are positive then this will likely increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this will likely decrease the value of the Company's Shares.

(e) **Drilling Risks**

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

(f) **CBM dewatering process**

CBM resources, if discovered, usually require dewatering before they enter the gas production phase. There can be no guarantee that the dewatering of the formations that allow gas to flow will occur in a timely fashion to allow commercial gas production to commence. Additionally, the process of dewatering may produce large volumes of water and there are costs associated with water disposal which may have an adverse effect on the commerciality of the CBM resource.

The Mongolian CBM PSC is the first CBM PSC to be awarded in Mongolia under its Petroleum Law of 2014 and the regulations with respect to water disposal are not yet fully developed. Should Mongolia not adopt current industry best practice regulations with respect to water disposal, there may be an adverse impact on the value of the Company's assets and future financial performance if the Company proceeds with drilling and if successful, a subsequent dewatering process.

(g) **Infrastructure access**

The Company's future performance is likely to be impacted by its ability to access infrastructure, including various equipment and facilities required for the production, processing and commercialisation of the Company's assets and product transportation routes, including access to pipelines and associated infrastructure. The ability of the Company to access infrastructure economically or at all is largely outside of the control of the Company and therefore may have an adverse impact on the Company's future performance. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to unexpected issues which could adversely effect the operations and financial performance of the Company.

(h) **Commercialisation of Discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(i) **Additional requirements for capital**

Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. The Directors currently consider that the Company will be sufficiently funded to meet its exploration objectives in 2019, which focus on conducting a 2D seismic program followed by the drilling of CBM coreholes. However additional funding will be required to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

There can be no assurance that additional finance will be available when needed. Any additional equity financing may be dilutive to the Company's existing Shareholders and any additional debt financing, if available, may be on terms that are not favourable to the Company or involve restrictive covenants, which limit the Company's operations and business strategy. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of the Company's activities and potential development programs.

(j) **Exchange rate fluctuation risk**

The Company's oil and gas projects are currently, located in Mongolia, France and the USA. As a result, the majority of cash flows, expenses, capital expenditure and commitments will be denominated in United States dollars, Euros and the local Mongolian currency (Tugriks). To the extent the Company may become involved in petroleum production, the revenue derived through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of foreign currencies to Australian Dollars.

(k) **Environmental risks**

The Company's operations will be subject to environmental laws and regulations, including but not limited to, those governing the management of waste, the protection

of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. The government and other authorities that administer and enforce environmental laws and regulations determine these requirements. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable petroleum reserves.

If the Company fails to comply with environmental laws and regulations regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. The Company may also become liable for environmental damage caused by any previous owners of licence areas the Company will have an interest in.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities. There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company is unable to predict the effect of any new environmental laws, regulations or stricter enforcement policies, once implemented, including whether any such laws or regulations would increase the Company's cost of doing business or affect its operations in any area.

(l) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

There are a number of uncertainties with the acquisition of interests in properties including, the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on future operations and the Company's financial position.

(m) **Hydrocarbon reserve estimates**

Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.

(n) **Reliance on key personnel and key contractors**

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management

and technical personnel, the loss of whose services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Further, the Company relies on contractors. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. The loss of one or more contracts with key contractors may lead to an increase in the Company's operational costs. The Company is unable to predict the risk of financial, managerial, operational or other failures by any of its contractors, any of which could have a material adverse effect on the operations and financial performance of the Company.

(o) **Contingent Liabilities**

Cottesloe Oil and Gas LLC (**Cottesloe**), a wholly owned subsidiary of the Company, was a party to a Joint Operating Agreement (**JOA**) with amongst others, Buccaneer Resources LLC (**Buccaneer**), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project. During 2011 the operator of Pompano proposed activities which Cottesloe declined to participate in thus impacting Cottesloe's status and future rights and obligations under the JOA. The remaining JV partners ultimately elected to shut in the wells and relinquish the two associated leases during 2012 with abandonment obligations remaining outstanding. The Company became aware that Buccaneer applied for and was granted Chapter 11 protection in the United States and Australia post the end of the 2014 financial year. As at the date of this Prospectus, the Company has not been made aware of any claims from Buccaneer or any of its creditors.

It is unclear whether Cottesloe is still a party to the JOA, but if this is the case, there is the possibility that in the event of a default by Buccaneer on its share of the abandonment cost of the platform, associated infrastructure and the wells, then Cottesloe will potentially be liable for its increased proportionate share of the cost. Cottesloe's only significant asset is a cash backed bond of US\$580,208 in favour of the previous owner of the platform and associated infrastructure which can be called upon in the event Cottesloe defaults on its share of the abandonment costs of this infrastructure. The cash backed bond provided by Cottesloe does not extend to any costs of abandoning the wells. There is no parent company guarantee in place between the Company and any of the other co-venturers in the Pompano project and therefore there is limited recourse to the Company or any other subsidiary of the Company should a claim be made on Cottesloe for an amount in excess of its assets.

(p) **Regulation**

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws.

Permits are required in some of the areas in which the Company operates for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

(q) **Insurance**

Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents. It is not always possible to insure against all such risks or the Company may decide not to insure against certain risks because of high premiums or other reasons. Although the Company will have insurance in place at levels considered appropriate for its operations and in accordance with industry practice, in certain circumstances the Company's insurance may not cover, or be adequate to cover, the consequence of such events which could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Shares.

(r) **Competition**

The Company operates in a competitive and dynamic market. The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities and respond to the introduction of new technologies or technological advancements relating to drilling or other relevant operations (common in the oil and gas industry).

Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.

(s) **Substitution of oil and gas products as energy sources**

There are a number of alternative energy sources to energy sources from oil and gas products. These include renewable energy (ie wind, solar or hydroelectric), nuclear energy, geothermal and biomass. If the costs and commercial prices of such alternative energy sources fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the Company's overall financial performance and ability to operate in the oil and gas industry.

## 2.2 General Risks

(a) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;

- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.

(b) **Financial markets risks**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

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

(c) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

(d) **Investment risk**

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

## 2.3 Investment Speculative

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

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### 3. Effect of the Offer

#### 3.1 Capital Structure on completion of the Offer

	Shares	Unlisted Options	Listed Options	Performance Rights
Balance at the date of this Prospectus	487,204,039	8,000,000 <sup>(1)</sup>	93,462,537 <sup>(3)(4)</sup>	17,500,000 <sup>(2)(4)</sup>
Option exercise <sup>(5)</sup>	1,000,000	(1,000,000)	-	-
To be issued under the Offer	1,000	-	-	-
<b>Balance after the Offer</b>	<b>488,205,039</b>	<b>7,000,000<sup>(1)</sup></b>	<b>103,206,617<sup>(3)(4)</sup></b>	<b>17,500,000<sup>(2)(4)</sup></b>

**Notes:**

- Options exercisable at \$0.0329 expiring on 30 September 2019. The Company is proposing to issue 5,000,000 unlisted Options, each exercisable at \$0.10 on or before the date which is 4 years after grant, to Stephen Kelemen as incentive based remuneration in connection with his role as Non-Executive Director, subject to shareholder approval. Refer to Section 4.6(b) for further details.
- Comprises: (a) 10,000,000 Class B Performance Rights which convert into Shares on a one for one basis on satisfaction of the applicable performance milestone by the date that is three years from the date of issue; and (b) 7,500,000 Class C Performance Rights which convert into Shares on a one for one basis on satisfaction of the applicable performance milestone by the date that is five years from the date of issue.
- The Company is proposing to issue, subject to Shareholder approval: (a) 9,744,080 EXROA Options to Nascent Capital Partners and Originate Capital or their nominees as part of their compensation for acting as joint lead managers of the placement announced by the Company on 15 May 2019; and (b) 7,500,000 EXROA Options to Richard Cottee as incentive based remuneration in connection with his role as Non-Executive Chairman. Refer to the Company's Notice of Meeting dated 19 July 2019 and Section 4.6(b), respectively, for further details.
- The Company is proposing to issue 15,000,000 Performance Rights (comprising 7,500,000 Class C Performance Rights and 7,500,000 Class D Performance Rights) to Richard Cottee, subject to Shareholder approval, as incentive based remuneration in connection with his role as Non-Executive Chairman. Refer to Section 4.6(b) for further details.
- Based on the Option exercise notices received by the Company in relation to the Company's unlisted Options as at the date of this Prospectus. The Company may receive additional Option exercise notices in respect of unlisted Options on or before the Closing Date.

### 3.2 Pro forma statement of financial position

	Company Audit Reviewed 31-Dec-18 \$	Pro forma adjustments \$	Company Unaudited pro forma 31-Dec-18 \$
<b>Current Assets</b>			
Cash and cash equivalents	1,594,305	2,758,705	4,353,010
Trade and other receivables	62,653	-	62,653
Assets held for sale	1,984,423	(1,984,423)	-
<b>Total Current Assets</b>	<b>3,641,381</b>	<b>774,282</b>	<b>4,415,663</b>
<b>Non-Current Assets</b>			
Trade and other receivables	821,809	-	821,809
Plant and equipment	4,015	-	4,015
Exploration and evaluation expenditure	2,957,843	734,000	3,691,843
<b>Total Non-Current Assets</b>	<b>3,783,667</b>	<b>734,000</b>	<b>4,517,667</b>
<b>TOTAL ASSETS</b>	<b>7,425,048</b>	<b>1,508,282</b>	<b>8,933,330</b>
<b>Current Liabilities</b>			
Trade and other payables	383,174	(133,174)	250,000
Financial liabilities	-	-	-
Provisions	911,920	(90,110)	821,810
<b>Total Current Liabilities</b>	<b>1,295,094</b>	<b>(223,284)</b>	<b>1,071,810</b>
<b>Non-Current Liabilities</b>			
Borrowings	-	-	-
Restoration provisions	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>1,295,094</b>	<b>(223,284)</b>	<b>1,071,810</b>
<b>NET ASSETS</b>	<b>6,129,954</b>	<b>1,731,566</b>	<b>7,861,520</b>
<b>EQUITY</b>			
Contributed equity	77,949,419	2,503,914	80,453,333
Reserves	1,057,596	-	1,057,596
Accumulated losses	(72,877,061)	(772,348)	(73,649,409)
<b>Total Equity</b>	<b>6,129,954</b>	<b>1,731,566</b>	<b>7,861,520</b>

#### Notes:

1. The Cash and cash equivalents balance does not account for movements in the Company since 31 December 2018, except for the following:
  - a. The placement announced by the Company on 15 May 2019 to raise a total of \$3,507,869 (before costs). Costs of the Placement include share issue costs of \$210,472.
  - b. The issue of 1,000 shares at \$0.06 each to raise \$60 (before costs of the Offer). Costs of the Offer are estimated to be \$7,090.
  - c. The sale of the Alaskan Leases to Entek Energy Limited for 185 million Entek convertible preference shares plus reimbursement of US\$846,730, being the net amount due after offset of the US\$500,000 interim bridging loan provided by Entek to the Company. The exchange rate assumption is that A\$1 = US\$0.70.
  - d. The issue of 93,462,537 listed options (ASX:EXROA) to raise a total of \$934,625 (before costs). Costs of the listed option offer include issue costs of \$56,078.
  - e. First half FY2019 expenditures of approximately \$734,000 on exploration and evaluation, \$452,925 on general and administration and payout of accrued annual leave of \$90,110 on cessation of employment of Dougal Ferguson as Managing Director of the Company.
  - f. Reduction in accounts payable of \$133,174.

2. The Assets held for resale as at 31 December 2018 consisted of the net assets of Emerald House LLC which have subsequently been sold to Entek Energy Limited, the consideration for which was in part, 185 million convertible preference shares in Entek which have subsequently been distributed to Shareholders via an in specie distribution and accordingly, represents a capital reduction in the Company.
3. The Exploration and Evaluation asset is increased by the estimated expenditure incurred 31 December 2018 on the Nomgon IX CBM PSC being \$734,000.
4. The Provisions have been reduced by \$90,110 following the payout of accrued annual leave to the former Managing Director on cessation of his employment as Managing Director of the Company.
5. Pro-forma adjustments to contributed equity are as follows:
  - a. Capital reduction of \$2,035,000 for the sale of Emerald House LLC and the in specie distribution of all Entek consideration shares received by the Company for the sale to t.
  - b. The loss of sale of Emerald House LLC of \$370,000, being the difference in Entek share price between the settlement of the sale and the in specie distribution date.
  - c. Value of listed Options (EXROA) issued of \$934,625 (net of costs).
  - d. Value of Shares to be issued under the placement announced by the Company on 15 May 2019 of \$3,507,869 (net of costs).
  - e. Value of Share to be issued under the Offer of \$60 net of expenses of the Offer of \$7,090.

### **Basis of Preparation**

This unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the transactions described in the notes to the pro forma consolidated statement of financial position and the assumptions described therein as if it had occurred as of 31 December 2018.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transactions had been completed on the dates or for the periods presented, nor does it purport to project the results of operations or financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the transaction.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS).

In preparing the audited pro forma consolidated statement of financial position in accordance with IFRS, the audit reviewed accounts of the Company as of 31 December 2018 were used.;

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the historical financial statements of the Company.

### **3.3 Market price of Shares**

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

Highest: \$0.063 per Share on 22 July 2019

Lowest: \$0.033 per Share on 26 June 2019

The last available market sale price of Shares on 12 August 2019 was \$0.050 per Share.

### **3.4 Dividend policy**

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

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## **4. Additional information**

### **4.1 Rights attaching to Shares**

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

#### **(a) General meeting and notices**

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

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

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

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

#### **(c) Issues of further Shares**

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

#### **(d) Variation of Rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

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

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(h) **Winding up**

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

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three and the maximum number is ten.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference Shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

## **4.2 Company is a disclosing entity**

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

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

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

## **4.3 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the financial year ended 30 June 2018, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;

- (b) the Half Year Financial Report for the half-year ended 31 December 2018 lodged by the Company with ASX on 15 March 2019; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

<b>Date</b>	<b>Headline</b>
12/8/19	Seismic Acquisition Underway
1/8/19	Company Secretary Appointment/Resignation
1/8/19	Drilling Contract Signed
30/7/19	Quarterly Activities Report
30/7/19	Quarterly Cashflow Report
23/7/19	Notice of General Meeting
18/7/19	Drilling Contractor Selected
11/7/19	Final Approval Granted
9/7/19	Trading Halt
25/6/19	Investor Presentation
5/6/19	Nomgon IX CBM Operations Update
3/6/19	Ceasing to be a substantial shareholder
29/5/19	Gobi Clean Energy Alliance
28/5/19	Change of Director's Interest Notice – Richard Cottee
27/5/19	Appendix 3B
27/5/19	Placement
23/5/19	Disclosure Document
20/05/19	Details of Company Address
15/15/19	Oversubscribed Placement Raises \$3.6M and Licence Issued
13/05/19	Trading Halt
07/05/19	Initial Director's Interest Notice – S. Kelemen
07/05/19	Final Director's Interest Notice
07/05/19	Exploration Program Update
06/05/19	Stephen Kelemen Appointed to Elixir Board
02/05/19	Drilling Invitation to Tender Issued
01/05/19	Initial Director's Interest Notice – Richard Cottee
01/05/19	Final Director's Interest Notice
30/04/19	Quarterly Activities Report
30/04/19	Quarterly Cashflow Report
30/04/19	Conversion of Entek CPS Shares and New Option Pricing
29/04/19	In Specie Date and EXROA Confirmations
29/04/19	Richard Cottee Appointed Chairman of Elixir
16/04/19	Appendix 3B
16/04/19	Change of Director's Interest Notice
15/04/19	Appendix 3A.5
15/04/19	Alaskan Sale Transaction Completed
15/04/19	ETE: Completion of Acquisition of Alaskan Assets
10/04/19	Alaskan Transaction Timetable Update
09/04/19	Corporate Presentation – QUPEX (Brisbane)
29/03/19	Results of Meeting
27/03/19	Energy and Minerals Conference Presentation
21/03/19	Alaskan Transaction Update
19/03/19	Mongolian Based Adviser Appointed
15/03/19	Half Year Accounts
07/03/19	Mongolian Operations Update
01/03/19	Appendix 3B

<b>Date</b>	<b>Headline</b>
01/03/19	ETE: Notice of General Meeting/Proxy Form
01/03/19	Placement of Shortfall (EXROA)
27/02/19	Notice of General Meeting
27/02/19	Disclosure Document
18/02/19	ETE: ACQUISITION OF ALASKAN LEASES (PROJECT PEREGRINE) UPDATE
18/02/19	10 New Alaskan Leases Accepted
12/02/19	Investor Presentation – February 2019
01/02/19	Entek Exercises Option to Acquire Elixir’s Alaskan Assets
01/02/19	ETE: EXERCISE OF OPTION AGREEMENT OVER ACREAGE ON THE NORTH
31/01/19	Change of Director’s Interest Notice – S Patrizi
31/01/19	Change of Director’s Interest Notice – R Barnes
31/01/19	Change of Director’s Interest Notice – D Ferguson
31/01/19	Quarterly Activities Report
31/01/19	Quarterly Cashflow Report
30/01/19	Appendix 3B
30/01/19	Top 20 Holders and Distribution of New Options
24/01/19	New Option Offer – Shortfall Notification
16/01/19	Elixir New Option Offer Closing Date
14/01/19	Change of Director’s Interest Notice – Neil Young
28/12/2018	Dispatch of Prospectus for Non-Renounceable Options
20/12/2018	Letter to Eligible Shareholders – New Options
20/12/2018	Letter to Ineligible Shareholders – New Options
1/12/2018	Change of Director’s Interest Notice
19/12/2018	Appendix 3B – Vesting of Performance Rights
19/12/2018	Becoming a substantial holder (Neil Young)
17/12/2018	Completion of Acquisition of GOH
17/12/2018	Initial Director’s Interest Notice
17/12/2018	Appendix 3B
14/12/2018	Change of Director’s Interest Notice
14/12/2018	Appendix 3B
14/12/2018	Option Issue Prospectus
14/12/2018	Pro-Rata Offer of New Options
13/12/2018	ETE: ENTEK ACQUIRES FURTHER RIGHTS FOR LEASES IN ALASKA
13/12/2018	Elixir Wins Additional Alaskan Acreage
03/12/2018	Exercise of Option to Acquire Golden Horde
29/11/2018	Alaska Asset Sale Option Agreement
29/11/2018	ETE; OPTION TO ACQUIRE ALASKAN LEASES
29/11/2018	Trading Halt
28/11/2018	Results of Meeting
20/11/2018	Investor Presentation – November 2018
19/11/2018	Nomgon IX Prospective CBM Resource
19/11/2018	Trading Halt
15/11/2018	Mongolian Operations Update
14/11/2018	Alaskan Lease Acquisition Completed
13/11/2018	Change of Director’s Interest Notice
13/11/2018	Change of Director’s Interest Notice – Ray Barnes
3/11/2018	Change of Director’s Interest Notice – Scott Patrizi
09/11/2018	Appendix 3B
08/11/2018	Disclosure Document
01/11/2018	Appendix 3B (Amended)
01/11/2018	Appendix 3B
01/11/2018	Bonus Issue Record Date Clarification
01/11/2018	Bonus Issue
01/11/2018	Alaskan Lease Acquisition Update

25/10/2018	Notice of Annual General Meeting/Proxy form
24/10/2018	Quarterly Activities Report
24/10/2018	Quarterly Cashflow Report

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 10, 50 Pirie Street, Adelaide, SA 5000.

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

#### 4.4 Information excluded from continuous disclosure notices

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

#### 4.5 Determination by ASIC

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

#### 4.6 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

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

- (b) Directors' Holdings

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

Director <sup>(4)</sup>	Shares Held	Options Held	Performance Rights Held
Richard Cottee <sup>(1)</sup>	250,000	-	-
Dougal Ferguson	16,592,666	2,000,000 <sup>(2)</sup>	-
Stephen Kelemen <sup>(5)</sup>	-	-	-
Neil Young	19,873,036	-	17,500,000 <sup>(3)</sup>

Notes:

1. As advised in the ASX announcement dated 29 April 2019, Mr Cottee's compensation package includes the following equity related components, subject to Shareholder approval:
  - i. 7,500,000 EXROA Options;
  - ii. 7,500,000 Class C Performance Rights, with said rights having the terms and conditions as described in the Notice of Annual General Meeting issued by the Company on 25 October 2018; and
  - iii. 7,500,000 Class D Performance Rights, with said rights having the terms and conditions as described in the Notice of Annual General Meeting issued by the Company on 25 October 2018.

The Company is seeking Shareholder approval to issue the above Options and Performance Rights at the Company's General Meeting to be held on 20 August 2019 (refer to the Company's Notice of General Meeting dated 19 July 2019 for further details).

2. Comprises 1,000,000 unlisted Options exercisable at \$0.0329 expiring on 30 September 2019 and 1,000,000 EXROA Option exercisable at \$0.0679 expiring on 31 December 2020.
3. Comprising 10,000,000 Class B Performance Rights which convert into Shares on a one for one basis on satisfaction of Milestone B by the date that is three years from the date of issue and 7,500,000 Class C Performance Rights which convert into Shares on a one for one basis on a final investment decision, approved by the Board of the Company and the Mongolian Government, for a pilot production test within the Mongolia CBM PSC by the date that is five years from the date of issue.
4. Ray Barnes and Scott Patrizi were previously directors of the Company who resigned on 26 April 2019 and 6 May 2019 respectively. Refer to the Financial Director's Interest Notices dated 1 May 2016 and 7 May 2019 of Mr Barnes and Mr Patrizi respectively for details of their relevant interests in the securities of the Company as at the day they ceased to be a director of the Company.
5. The Company is proposing to issue 5,000,000 unlisted Options, each exercisable at \$0.10 on or before the date which is 4 years after grant, to Stephen Kelemen as incentive based remuneration in connection with his role as Non-Executive Director, subject to shareholder approval. The Company is seeking Shareholder approval to issue these Options at the Company's General Meeting to be held on 20 August 2019 (refer to the Company's Notice of General Meeting dated 19 July 2019 for further details).

(c) **Remuneration of Directors**

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$500,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that Directors' fees are \$72,000 per annum for the Chairman (Richard Cottee) and \$36,000 per annum for Non-Executive Directors (inclusive of statutory superannuation contributions). Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Mr Neil Young is the Managing Director of the Company. Mr Young receives a salary of \$250,000 per annum including statutory superannuation and his employment may be terminated by either party giving three months' notice.

The table below sets out the remuneration provided to the Directors or their related entities for the preceding two and a half financial years prior to this Prospectus as well as the half financial year to 31 December 2018. Messrs Cottee and Kelemen were not Directors of the Company during these financial periods.

Director	Year	Salary & Fees	Cash Bonuses	Super-annuation & other	Share Based Payments	Total
Richard Cottee <sup>(1)</sup>	Dec 18	-	-	-	-	-
	June 18	-	-	-	-	-

	June 17	-	-	-	-	-
Dougal Ferguson <sup>(2)</sup>	Dec 18	\$118,721	\$78,000	\$11,279	\$290,546	\$498,546
	June 18	\$237,443	\$26,000	\$49,954	\$101,715	\$415,112
	June 17	\$237,443	-	\$26,210	\$31,412	\$295,065
Stephen Kelemen <sup>(3)</sup>	Dec 18	-	-	-	-	-
	June 18	-	-	-	-	-
	June 17	-	-	-	-	-
Neil Young <sup>(4)</sup>	Dec 18	\$9,072	-	\$862	\$25,338	\$35,272
	June 18	-	-	-	-	-
	June 17	-	-	-	-	-
Ray Barnes <sup>(5)</sup>	Dec 18	\$22,500	-	-	-	\$22,500
	June 18	\$42,750	-	-	-	\$42,750
	June 17	\$36,000	-	-	\$10,006	\$46,006
Scott Patrizi <sup>(6)</sup>	Dec 18	\$18,000	-	-	-	\$18,000
	June 18	\$33,000	-	-	-	\$33,000
	June 17	\$17,419	-	-	\$29,942	\$42,361

**Notes:**

1. Appointed on 29 April 2019.
2. Appointed on 4 September 2014.
3. Appointed on 6 May 2019.
4. Appointed on 14 December 2018.
5. Ceased to be a director on 26 April 2019.
6. Ceased to be a director on 6 May 2019.

#### 4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

## 4.8 Expenses of the Offer

The estimated expenses of the issue are as follows:

	<b>Offer</b>
	<b>\$</b>
ASIC lodgement fee	3,206
ASX quotation fee	1,884
Legal expenses	<u>2,000</u>
<b>Total</b>	<u>7,090</u>

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## 5. Authorisation

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

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



Dougal Ferguson  
Non-Executive Director

Dated: 14 August 2019

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## 6. Glossary of Terms

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

**\$** means Australian dollars.

**ACST** means Australian Central Standard Time, being the time in Adelaide, South Australia.

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the financial year ended 30 June 2018 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

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

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

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

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

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

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

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

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

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

**CBM** means Coal Bed Methane.

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

**Closing Date** means 19 August 2019 or such later date as the Directors may determine.

**Company** means Elixir Energy Limited (formerly Elixir Petroleum Limited) ACN 108 230 995.

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

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

**Directors** mean the directors of the Company as at the date of this Prospectus and the Proposed Director.

**EXROA Option** means a listed Option as defined as a "New Option" in the Company's prospectus dated 14 December 2018, each exercisable at \$0.0679 expiring on 31 December 2020, which trades under the ASX code "EXROA".

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

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

**Mongolia CBM PSC** means the Nomgon IX Coal Bed Methane Production Sharing Contract signed with the Mineral Resources and Petroleum Authority of Mongolia.

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

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Shares on the Official List.

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

**Option Shares** means the definition given to it in Section 1.2.

**Performance Right** means performance rights which convert on exercise on a one for one basis to Shares upon achievement of certain performance milestones prior to the relevant expiry dates.

**Prospectus** means this prospectus dated 14 August 2019.

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

**Securities** means Shares, Options and Performance Rights.

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

**Shareholder** means a holder of Shares.