

Prominence Energy NL

ABN 69 009 196 810

Prospectus

For a pro rata non-renounceable entitlement issue on the basis of one (1) New Share for every one (1) existing Share held at an issue price of \$0.005 per New Share. The Offer includes one free attaching option for every two shares subscribed for. The Options will have an exercise price of \$0.02 and an expiry date of 1 September 2023. The Offer will raise up to \$1.2 million (before expenses).

Lead Manager to the Offer is GTT Ventures

The Offer is not underwritten

The Offer closes at 5.00pm WST on 30 September 2020

Important Notice

This is an important document and should be read in its entirety. This Prospectus is a transaction-specific prospectus issued in accordance with Section 713 of the Corporations Act 2001. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay.

The Securities offered by this Prospectus should be considered speculative.

Due to the delays in postage because of COVID-19 the Company is encouraging all participants to settle via BPAY.

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IMPORTANT INFORMATION

This Prospectus is dated 8 September 2020 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

Due to the delays in postage because of COVID-19 the Company is encouraging all participants to settle via BPAY.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the New Shares the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to Section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. 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 information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Shares to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to the Risk Factors affecting the Company set out in Section 2. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.ProminenceEnergy.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder or Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 8.

OVERSEAS SHAREHOLDERS

New Shares will not be issued pursuant to this Prospectus to Shareholders with a registered address which is outside Australia or New Zealand. This is because the Company has determined that it would be unreasonable to make the Offer under this Prospectus to such Shareholders having regard to the number of Shareholders in the places where the Offer would be made, the number and value of the New Shares that would be offered and the costs of complying with the legal requirements of those places. The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

LEAD MANAGER ARRANGEMENTS (Refer to Section 5.5)

The Company has engaged GTT Ventures Pty Ltd (GTT) pursuant to the terms of a lead manager mandate and offer management agreement (**Lead Manager Arrangement**) as the Lead Manager for the Entitlement Issue and for the placement of any Shortfall that arises as a result of the Offer. GTT will receive the following fees for its Lead Manager and offer management services:

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- (a) 6% of all funds raised from Shortfall placed
- (b) Subject to the placement of all the Shortfall GTT will receive 42.5 million options (2c exercise price and with an expiry date of 1 September 2023)

The material terms and conditions of the Lead Manager Arrangement are set out in Section 5.5 of this Prospectus.

RISK FACTORS (Refer to sections 1.12 and 2)

Refer to sections 1.12 and 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

The following table sets out a summary of transaction specific risks that the Company is exposed to. This list of risks is not exhaustive. Risks of investing in the Company's existing assets and general risks are set out in Sections 1.12 and 2 of this Prospectus.

Risk area	Risks
Future Financing	<p>The Company does not currently have any operating revenue. Accordingly, it must continue to fund its activities and overheads through its cash reserves, equity capital or debt. The continued viability of the Company is therefore dependent upon the success of the Offer.</p> <p>The cash reserves currently available to the Company and the funds to be raised under the Offer are only sufficient to meet the forecast capital costs and working capital requirements until approximately June 2021. Accordingly, the ability for the Company to continue as a going concern is contingent on the raising of further debt or equity funds in the future. There can be no guarantee that the Company will be able to successfully raise further funds by June 2021.</p>
Project Specific Risks	<p>The Company's primary project is the Bowsprit Project located in the shallow inland waters offshore Louisiana. Specific risks relating to this project include:</p> <ul style="list-style-type: none"> • the funds raised from the Offer will be insufficient to fund the Company through the full development of the project and the Company will require further funds via a farm out and/or a further capital raising to drill the project; • a farm out cannot be achieved in the time frame contemplated or that market conditions (low oil price, market weakness etc.) will not be conducive to a capital raise. Without further funds the Company will deplete its cash reserves by June 2021; • the well costs may exceed the budget or the Company's funding capability or that the Company may be unable to raise the funds to pay for the production facilities; • the Company's view of the project will be based on data acquired from ~1960 to 1990 and limitations contained therein; • on drilling the reservoir, the field may not flow oil as forecast, either a lower oil rate, with too much associated water or mechanical failure in the well; and

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Risk area	Risks
	<ul style="list-style-type: none"> the oil price may drop to a level that the project is deemed sub commercial.
Tenure risk	<p>The oil and gas lease interest held by the Company (i.e. the Bowsprit Project) is subject to applicable laws regarding exploration, expenditure and renewal of such interest. If an oil and gas lease is not renewed / or extended, annual rent US\$101,005 paid, or if the Company does not drill a well by March 2021, the Company will lose the lease.</p> <p>If the Lease is lost, the value of the Company securities would be adversely affected as a result of the consequential loss of opportunity to discover and develop any resources within the oil and gas lease interest.</p>

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Securities offered for subscription under this Prospectus. Investors should consider the risk factors described above and outlined in more detail in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

DIRECTORS' INTERESTS (Refer to Section 5.7)

The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlements under the Offer are set out below.

Director	Shares (Direct & Indirect)	Options (Direct & Indirect)	Voting Power (%)	Entitlement	Value of Entitlement (\$)
Ian James McCubbing	16,812,513	2,166,666	6.98%	16,812,513	\$84,063
Alexander Parks**	3,375,000	2,166,666	1.4%	3,375,000	\$16,875
Patric Glovac***	nil	nil	n/A	nil	

Notes:

- * Ian McCubbing will subscribe for \$16,250 of his Entitlement under this Prospectus.
 - ** Alexander Parks will subscribe for \$16,875 of his Entitlement under this Prospectus.
 - *** Patrick Glovac is both a Director of Prominence Energy NL and GTT Ventures (the Company's Corporate Advisor)
1. The Constitution of the Company provides that the Non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting to be divided between the Directors as agreed, currently set at \$400,000.
 2. The Company incurred remuneration costs relating to its current and previous Directors (including the Managing Director) of \$349,749 for the year ended 30 June 2019, \$361,373 for the year ended 30 June 2018. In addition to the above, the Directors' remuneration costs from 1 July 2019 to the date of this Prospectus total approximately \$445,510. A substantial portion of these remuneration costs have been accrued and not paid out in cash or shares.
 3. If a Director, at the request of the Board of Directors, performs extra services, the Company may pay that Director a fixed sum set by the Board of Directors for doing so. The Company has not paid any extra services fees in the last three years. Directors are also reimbursed for out of pocket expenses incurred as a result of the directorship or any special duties.
 4. For the purpose of calculating Entitlement, it is assumed that no Options have been exercised.
 5. GTT convertible note of \$25,000 plus interest will be repaid from the proceeds of the raise
 6. GTT will receive fees for placement of Shortfall as detailed in section 5.6

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SUBSTANTIAL HOLDERS

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

Shareholder	No. of Shares	%
Fast Lane Australia Pty Ltd	39,683,852	16.48
GTT Global Opportunities Pty Ltd	33,158,496	13.77
Bellarine Gold Pty Ltd	22,655,265	9.41
Mr Ian James McCubbing	16,812,514	6.98

In the event all Entitlements are accepted (or all Shortfall is placed) there will be no change to the substantial holders on completion of the Offer.

CORPORATE DIRECTORY

Directors

Mr Ian McCubbing

B.Com (Hons), MBA (Ex), CA, GAICD
Non-Executive Director and Chairman

Mr Alexander Parks

GAICD, MEng
Chief Executive Officer and Managing Director

Mr Patrick Glovac

B.Com , Dip Mngt
Non-Executive Director

Company Secretary & CFO

Jo-Ann Long
BComm, FCA, GAICD

Registered Office

Level 2, 30 Richardson Street
West Perth, Western Australia 6005
Telephone: +61 8 9321 9886
Facsimile: +61 8 9321 8161
Email: admin@ProminenceEnergy.com.au
Website: www.ProminenceEnergy.com.au

Corporate Manager*

United States

Visra San Francisco 100 Bush Street San Francisco
CA 94104
Telephone: +1 415 659 9236

Securities Exchange Listing*

Australian Stock Exchange Limited

Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

ASX Code: PRM

ABN: 69 009 196 810

Share Registry*

Computershare Investor Services Pty Limited

Level 11,172 St Georges Terrace
Perth, Western Australia 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033
Website: www.investorcentre.com/contact

Solicitors*

GTP Legal
68 Aberdeen Street,
Northbridge, Western Australia 6003
Telephone: +61 8 6555 1866
Website: www.gtplegal.com

Lead Manager

GTT Ventures Pty Ltd

30 Townsend Road
Subiaco 6005
Telephone: +61 8 6380 2470
Website: www.gttventures.com.au

Auditors*

HLB Mann Judd (WA) Partnership

Level 4, 30 Stirling street
Perth, Western Australia 6000
Telephone: +61 8 9227 7500

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Announcement of Entitlement Offer	Mon 7-Sep-20
Lodgement of Prospectus with ASIC and Appendix 3B with ASX	Tue 8-Sep-20
Notice to Optionholders	Tue 8-Sep-20
Notice to Shareholders containing Appendix 3B information	Wed 9-Sep-20
Shares commence trading on an ex rights basis	Thu 10-Sep-20
Record Date for the Offer	Mon 14 -Sep-20
Prospectus and Entitlement Forms despatched to Eligible Shareholders & Announce dispatch.	By Wed 16-Sep-20
Opening Date of the Offer	Wed 16-Sep-20
Last day to extend the offer closing date	Fri 25-Sep-20
Closing Date of the Offer	Wed 30-Sep-20
New Shares quoted on a deferred settlement basis	Thu 1-Oct-20
Company to advise ASX of any Shortfall	Mon 5-Oct-20
Expected date of issue of New Securities	Wed 7-Oct-20
Commencement of trading of New Shares on ASX	Thu 8-Oct-20

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules.

BRIEF INSTRUCTIONS

THE ENTITLEMENT ISSUE

For Eligible Shareholders

What You May Do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- accept your Entitlement in full and apply for additional shares pursuant to the Shortfall Offer; or
- Allow the whole of the Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

If you wish to take up all or part of your entitlement, the Company is encouraging the use of BPAY due to the delays in post due to COVID-19. By paying by BPAY you will be deemed to have completed an Application Form for the number of Shares subject of your application payment (including Shortfall).

Shareholders should be made aware that their own financial institution may have an earlier cut off time for BPAY payments. By paying by BPAY you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

Alternatively you may complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with your cheque (made Payable to *Prominence Energy NL*) for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's Share Registry no later than 5:00pm WST on Wednesday 30 September 2020. Due to the delays in postage due to COVID-19 it is the Shareholders responsibility to ensure that actual delivery occurs prior to the closing date.

Applying for Shortfall Shares

Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their entitlements in full may apply for additional New Shares under the Shortfall Offer by Paying additional funds via BPAY.

Alternatively by completing the section of the Entitlement and Acceptance Form entitled "Shortfall Shares" in accordance with its instructions and providing payment via cheque or some other means, prior to the closing date.

Entitlements Not Taken Up

If you decide not to accept all or part of your Entitlement pursuant to the Entitlement Issue, you are not required to take any action. The New Shares not accepted will form part of the Shortfall.

CHAIRMAN'S LETTER

7 September 2020

Dear Fellow Shareholder

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Securities in the Company pursuant to the Offer, which is a non-renounceable rights issue of one (1) New Share for every one (1) Share held at the Record Date at an issue price of \$0.005 each to raise up to \$1,203,896 (before costs) together with one (1) free Attaching Option for each two (2) New Shares allotted with each Attaching Option exercisable at \$0.02 on or before 1 September 2023.

It is proposed that the funds raised from the Offer will be used to advance the Bowsprit Project to drillable status, through farm-out of the project. The Company will also commence a program to pursue other oil and gas investment opportunities that will create shareholder value in addition to the Bowsprit project. Critically a portion of the funds raised will also be used to buy back the Convertible Note issued to Winform Nominees (together with the issue of options and the grant of a 1% royalty over Bowsprit production). The Company has also agreed with Management and the Directors to settle accrued salaries and fees for substantially less than the amount owed. Removal of these debts will significantly improve the Company's financial position and assist in the development of Bowsprit and the pursuit of additional projects.

Under the Offer, you are entitled to subscribe for the number of New Securities set out in your personalised Entitlement and Acceptance Form enclosed with this Prospectus. **You are also entitled to apply for the Shortfall in excess of your Entitlement.** Entitlements to New Securities can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus and making payment of Acceptance Monies in accordance with the instructions set out in Section 1.6 and on the Entitlement and Acceptance Form. Acceptance Monies for the New Securities and any Shortfall (if applicable) must be received by the Closing Date. Please refer to the timetable on page 7 for further information regarding the important dates in relation to the Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours faithfully



Ian McCubbing
Chairman

SECTION 1 DETAILS OF THE OFFER

1.1 Details of the Entitlement Issue Offer

The Company is making a pro rata non-renounceable entitlement issue on the basis of one (1) New Share at an issue price of \$0.005 per New Share for every one (1) existing Share held. Subscribers will be issued one free attaching option for every two shares taken up. The Options will have an exercise price of \$0.02 each and an expiry date of 1 September 2023. The Offer will raise up to \$1,203,896 (before expenses) such that a maximum of 240,779,173 New Shares will be issued.

The New Shares are being offered to Eligible Shareholders on the basis of Shares held on the Record Date of 12 September 2020. In the calculation of any entitlement, fractions will be rounded down to the nearest whole number.

The New Shares offered pursuant to this Prospectus will rank equally with existing Shares on issue. The full terms and conditions of the New Shares and Options are set out in Sections 4.1, 4.2 and 4.3 respectively.

The Company has on issue 240,779,173 Shares and 69,742,570 Options. Optionholders who exercise their Unlisted Options after the date of this Prospectus but prior to the Record Date will be entitled to participate in the Entitlement Issue Offer.

The number of New Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form.

1.2 Underwriting

The Offer is not underwritten.

1.3 No Rights Trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your right to subscribe for New Shares to another party. If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.4 Minimum Subscription

There is no minimum subscription under the Entitlement Issue.

1.5 Opening and Closing Dates

The Entitlement Issue will open for receipt of acceptances on **16 September 2020**

The Entitlement Issue will close at **5pm WST Wednesday 30 September 2020**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.6 How to Accept the Entitlement Issue Offer

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Entitlement Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Application 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.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Entitlement Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Acceptance of Terms

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares. Due to the delays in postage because of COVID-19 the Company is encouraging all participants to settle via BPAY. Please contact the Company or Computershare if an alternative form of payment such as cheque is required.

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be received not later than 5.00pm WST on the Closing Date. Please note that payment via BPAY must be made by no later than 3.00pm WST on 30 September 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

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Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Entitlement Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with Section 1.7.

Dilutionary Effect on Shareholders who do not take up their Entitlement

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

Holder	Holding at Record Date	Approximate % at Record Date	Entitlement under the Offer (1 for 1)	Holding if offer not taken up	Approximate % post Offer
Shareholder 1	10,000,000	4.153%	10,000,000	10,000,000	2.077%
Shareholder 2	1,000,000	0.415%	1,000,000	1,000,000	0.208%
Shareholder 3	100,000	0.042%	100,000	100,000	0.021%

Notes:

1. This is based on a share capital of 240,779,173 Shares at the date of this Prospectus.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage

Enquiries

If you have any queries regarding your Entitlement or the Offer, please contact the Company on +61 8 9321 9886 from 8.30am to 5.00pm WST, Monday to Friday.

1.7 Shortfall Offer

If you do not wish to take up any part of your Entitlement under the Entitlement Issue Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer.

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. 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. It is possible that there may be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Offer. Shortfall Shares will also receive the free attaching options on a 1 Option for 2 shares basis.

A cheque, bank draft or money order made payable to "Prominence Energy NL" and crossed Not Negotiable 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. – Due

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to the current delays in post due to COVID-19, the Company requests that if possible, Shareholders use BPAY to process subscriptions.

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 Eastern Standard Time (3.00pm (WST) on the Closing Date.

Surplus application moneys will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares. The Company reserves the right to close the Shortfall Offer early.

In respect of the Shortfall Offer, it is the responsibility of any applicant outside Australia to ensure compliance with all laws of any country relevant to their applications, and any such applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued any securities.

No action has been taken to register or qualify the Shortfall Shares or the Shortfall Offer or otherwise to permit a public offering of the Shortfall Shares in any jurisdiction outside Australia. Priority to any allocation of Shortfall Shares will be given to existing Shareholders, following which any remaining Shortfall Shares will be allocated at the Directors' absolute discretion.

The Directors (in consultation with GTT) reserve the right to issue Shortfall Shares at their absolute discretion including issuing to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies for on their Entitlement and Acceptance Form, or to reject an application, or to not proceed with placing the Shortfall.

An Applicant will not be allocated any Shortfall Shares if the issue of those Shortfall Shares will result in their voting power in the Company exceeding 20%.

GTT as lead manager has been mandated to place the shortfall. GTT will be entitled to

- (a) 6% of all funds raised from shortfall placed
- (b) Subject to the placement of all the Shortfall GTT will receive 42.5 million options (2c exercise price and with an expiry date of 1 September 2023)

1.8 Lead Manager – GTT Ventures Pty Ltd

A summary of Lead Manager Arrangement is provided in the Important Information section above. Further, the material terms and conditions of the Lead Manager Arrangement are set out in Section 5.5 of this Prospectus

1.9 Australian Securities Exchange Listing

The Company will apply to ASX for quotation of the Securities offered pursuant to this Prospectus within seven days after the date of this Prospectus. If an application for quotation of the Securities is not made within seven days after the date of this Prospectus, or ASX does not grant permission for official quotation of the Securities within three months after the date of this Prospectus, the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered under this Prospectus.

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1.10 Issue of Securities

The Securities to be issued pursuant to the Offer will be issued in accordance with the Timetable and Important Dates and otherwise in accordance with the Listing Rules.

Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Securities issued under the Offer will be mailed in accordance with the Timetable and Important Dates and otherwise in accordance with the Listing Rules and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

1.11 CHES and Issuer Sponsorship

The Company operates an electronic CHES sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHES (for new investors who elect to hold their securities on the CHES sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of Securities issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

1.12 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.13 Overseas Shareholders

The Company is of the view that it is unreasonable to make an offer under the Entitlement Issue under this Prospectus to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;

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- the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under the Prospectus to Shareholders registered outside of Australia and New Zealand.

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. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

1.14 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

1.15 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry.

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare Investor Services Pty Limited, an external service provider. The Company requires Computershare Investor Services Pty Limited to comply with the National Privacy Principles when performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- when you agree to the disclosure;*
- when used for the purposes for which it was collected;*
- when disclosure is required or authorised by law;*
- to other members in the Company's group of companies;*
- to your broker;*
- to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.*

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You have the right to access, update and correct your personal information held by the Company and Computershare Investor Services Pty Limited, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare Investor Services Pty Limited or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

1.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company on +61 8 9321 9886, from 8.30am to 5.00pm WST, Monday to Friday.

SECTION 2 RISK FACTORS

2.1 Introduction

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Securities.

2.2 Specific Risks – Transaction Specific

2.2.1 Future Financing

The Company does not currently have any operating revenue. Accordingly, it must continue to fund its activities and overheads through its cash reserves, equity capital or debt. The continued viability of the Company is therefore dependent upon the success of the Offer.

The cash reserves currently available to the Company and the funds to be raised under the Offer are only sufficient to meet the forecast capital costs and working capital requirements until approximately June 2021. Accordingly, the ability for the Company to continue as a going concern is contingent on the raising of further debt or equity funds in the future. There can be no guarantee that the Company will be able to successfully raise further funds by June 2021

2.3 Specific Risks – Current Assets

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

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- (a) The Company's primary project is the Bowsprit Project located in the shallow inland waters offshore Louisiana. Specific risks relating to this project include:
- (b) the funds raised from the Offer will be insufficient to fund the Company through the full development of the project and the Company will require further funds via a farm out and/or a further capital raising to drill the project;
- (c) a farm out cannot be achieved in the time frame contemplated or that market conditions (low oil price, market weakness etc.) will not be conducive to a capital raise. Without further funds the Company will deplete its cash reserves by June 2021;
- (d) the well costs may exceed the budget or the Company's funding capability or that the Company may be unable to raise the funds to pay for the production facilities;
- (e) the Company's view of the project will be based on data acquired from ~1960 to 1990 and limitations contained therein;
- (f) on drilling the reservoir, the field may not flow oil as forecast, either a lower oil rate, with too much associated water or mechanical failure in the well; and
- (g) the oil price may drop to a level that the project is deemed sub commercial.

2.3.1 Operational Risks

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

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

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

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

2.3.2 Compliance Risk

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

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

2.3.3 Joint Venture Parties, Agents and Contractors

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

2.3.4 Country Risk

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

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

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

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

2.3.5 Environmental

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

2.3.6 Future capital needs and additional funding

The funding of any further ongoing capital requirements beyond the requirements as set out in this Prospectus will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the company cannot forecast with any certainty.

Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop

projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

2.3.7 Insurance

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

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

2.4 General Risks

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

2.4.1 General Economic Climate

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

2.4.2 Changes in Legislation and Government Regulation

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

2.4.3 Competition for Projects

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

2.4.4 Commodity Price Volatility and Exchange Rate Risk

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

Furthermore, international prices of various commodities are denominated in United States dollars,

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

2.4.5 Reliance on Key Personnel

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

2.4.6 Share market Conditions

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

2.5 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the securities.

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

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SECTION 3 PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$1.2 million (before expenses). The application of funds raised from this Offer is summarised below, depending on various levels of subscription.

For the purposes of detailing the use of funds raised under this Prospectus, it is assumed no Options are exercised between the date of this Prospectus and the Record Date.

Proceeds of Offer	25% Subscription (\$)	50% Subscription (\$)	80% Subscription (\$)	Full Subscription (\$)
Bowsprit Farm-out Activities	\$25,000	\$25,000	\$25,000	\$25,000
Restructure Settlement of Winform Con note		\$150,000	\$150,000	\$150,000
Outstanding Management and Directors salaries and fees ¹	\$23,572	\$63,822	\$167,160	\$211,440
Creditors, Directors' Loans and convertible note ²	\$56,001	\$103,869	\$186,224	\$186,224
Expenses of the Offer ³	\$15,698	\$23,433	\$43,354	\$65,061
Working Capital and Administration ⁴	\$180,703	\$235,824	\$391,380	\$566,171
Total	\$300,974	\$601,948	\$963,117	\$1,203,896

Notes: The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

¹ In order to position the company with a stronger balance sheet after the capital raising, the Directors and Management (including former Director William Bloking) have agreed to settle outstanding fees and salaries for a substantially reduced amount. The amount owed for outstanding fees and salary \$458,288 as at 31 July 2020. It has been agreed that this amount will be settled for a cash payment up to a maximum of \$211,440 depending on the amount of capital raised.

² It is anticipated that 100% of the shortfall will be placed by GTT, if 100% of the funds are not raised, some or all of the Directors loans (\$104,389) may be settled at a later date. GTT Ventures convertible note of \$25,000 will be repaid provided a 50% Subscription or more.

³ Please refer to Section 5.10 of this Prospectus for further details of the expenses of the Offer. The table above includes fees payable to GTT pursuant to the Lead Manager Arrangement as set out in Section 5.5, which include:

- (a) 6% of all funds raised from shortfall placed
- (b) Subject to the placement of all the Shortfall GTT will receive 42.5 million options (2c exercise price and with an expiry date of 1 September 2023)

⁴ On completion of the Offer, the Board believes the Company will have sufficient working capital for 12 months.

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3.2 Effect of the Offer and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Offer (assuming full subscription) will be that:

- (a) cash reserves will increase by approximately \$1.2 million (before expenses) immediately after completion of the Offer; and
- (b) 240,779,173 New Shares will be issued. A summary of all the Shares and Options the Company will have on issue after the Offer is outlined in section 3.4.

3.3 Pro Forma Consolidated Statement of Financial Position

The unaudited management based Consolidated Statement of Financial Position as at 18 August 2020, the unaudited Pro Forma Statement of Financial Position as at 1 October 2020, and the Audited Consolidated Statement of Financial Position as at 31 December 2019 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Securities pursuant to the Offer in this Prospectus are issued.

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

5.1.1 Financial Adjustments

Winform Nominees Debt Restructure

The Company has reached an agreement with Winform Nominees Pty Ltd (ACN 152 706 717) (**Winform**) in respect of the loan the subject of the Converting Loan Agreement entered into in February 2015 that is repayable on the earlier of 31 March 2021 and the Company entering into a "Transaction" (capital raising of at least \$15 million or takeover). Due to the delay in the Company finalising a farm-out of its interest in the Bowspirit Project due to COVID-19, the debt the subject of the Converting Loan Agreement has been restructured in a deal that is acceptable to both parties. Under this deal, Winform has agreed to accept the following in consideration of releasing the Company of its obligations under the Converting Loan Agreement and as consideration for the release of the security provided for the loan:

- (a) \$150,000 payable by the Company to Winform from the proceeds of the issue of Shares under this Prospectus.
- (a) the issue by the Company of 15 million Options on the terms set out in section 4.3, subject to the Company obtaining, if required to effect the issue, the approval of its Shareholders; and
- (b) a 1% royalty granted by its subsidiary, Sun Louisiana LLC, on the Company's net production of hydrocarbons produced from the Bowspirit Project.

Outstanding Management and Directors' Salaries and Fees

In order to position the company with a stronger balance sheet after the capital raising, the Directors and Management (including former Director William Bloking) have agreed to settle outstanding fees and salaries for a substantially reduced amount. The amount owed for outstanding fees and salary \$458,288 as at 31 July 2020. It has been agreed that this amount will be settled for a cash payment up to a maximum of \$211,440 depending on the amount of capital raised.

Trade and Other Payables – USA statute of limitation – Richland Bankruptcy claim of US\$172,000 has not had any action taken to recover this amount since 2013, and as this claim has now passed the statute of limitation and it has been removed from Trade & Other Payables in the period between 31 December

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2019 and 18 August 2020.

The Company entered into Convertible Notes totalling \$325,000 in the last 12 months. \$300,000 plus interest was converted into shares in July 2020.

The Company Placed 30 million shares to raise \$150,000 in August 2020.

Unaudited Management Based Consolidated Statement of Financial Position and Pro-Forma Statement of Financial Position as at 18 August 2020

	Audited Consolidated 31 Dec \$'000	Reviewed Consolidated 18 Aug 2020 \$'000	Offer	Pro-Forma Unaudited Consolidated 1 Oct 2020 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	197,793	71,807	1,138,835	1,210,642
Other receivables	24,700	31,083		31,083
Total Current Assets	<u>222,493</u>	<u>102,890</u>	1,138,835	<u>1,241,725</u>
Non-Current Assets				
Plant and Equipment	4,522	4,522		4,522
Exploration and Evaluation Expenditure	1,028,049	1,212,606		1,212,606
Investment in Unlisted Shares	12,762	12,762		12,762
Total Non-Current Assets	<u>1,045,333</u>	<u>1,229,890</u>		<u>1,229,890</u>
Total Assets	<u>1,267,826</u>	<u>1,332,780</u>	1,138,835	<u>2,471,615</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	1,520,930	1,524,626	-179,443	1,345,183
Borrowings	289,547	151,482		151,482
Provisions	21,999	21,999		21,999
Total Current Liabilities	<u>1,832,476</u>	<u>1,698,107</u>	-179,443	<u>1,518,664</u>
Non-Current Liabilities				
Borrowings	1,190,992	1,190,992	-1,040,992	150,000
Total Liabilities	<u>3,023,468</u>	<u>2,889,099</u>	-1,220,435	<u>1,668,664</u>
Net Assets	<u>-1,755,642</u>	<u>-1,556,319</u>	2,359,270	<u>802,951</u>
EQUITY				
Contributed Capital	120,575,080	121,038,177	1,138,835	122,356,455
Share Based Payment Reserves	13,008,245	13,008,245		13,008,245
Foreign exchange translation Reserve	17,891,404	17,891,404		17,891,404
Accumulated losses	-153,230,371	-153,494,145	1,040,992	152,453,153
Total Equity	<u>-1,755,642</u>	<u>-1,556,319</u>	2,359,270	<u>802,951</u>

The above pro forma unaudited Consolidated Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 18 August 2020 and the completion of the Offer, except:

1. completion of the Entitlement Issue, by way of full subscription for the Offer, to raise \$1,203,896 (before expenses of the Offer) and 240,779,173 New Shares being issued as a result of the Offer;
2. expenses of the Offer (assuming full subscription) are estimated at \$65,061 and have been offset against proceeds of the Offer;
3. Those adjustments that are conditional on the offer being Winform Debt Restructure and the net

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effect of Director and Management Reduced Fees settlement.

3.4 Effect on Capital Structure After Completion of Offer

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed and no Options are exercised prior to the Record Date.

Shares	Number of Shares
Shares on issue at date of Prospectus ¹	240,779,173
Total New Shares issued pursuant to the Offer ²	240,779,173
Total Shares on issue after completion of the Offer	481,558,346

Options	Number of Options
Listed Options exercisable at \$0.10 on or before 19 October 2020	39,384,241
Unlisted Options exercisable at \$0.04 on or before 31 December 2020	30,358,329
Options to be issued subject to Shareholder approval at the next EGM Winform Options, Advisor Options and Placement Options at \$0.02 on or before 1 September 2023 ^[4]	80,000,000
Total New Options issued pursuant to the Offer at \$0.02 on or before 1 September 2023	120,389,587
Total Options on issue after completion of the Offer	270,132,157

Performance Shares	Number of Performance Shares
Managing Director Performance Shares ³	2,250,000
Total Performance Shares on issue after completion of the Offer	2,250,000

Notes:

1. The number of Shares on issue assumes that no Options currently on issue are exercised prior to the Record Date.
2. The number of New Shares issued assumes that the Entitlement Issue Offer is fully subscribed and no Options currently on issue are exercised prior to the Record Date.
3. The Managing Director Performance shares are comprised of
 - a. 750,000 performance Rights that vest on successful farming out of the Bowsprit-1 well
 - b. 1,500,000 performance rights that vest on achieving 60 days of commercial production from the Bowsprit project within a 75 day period.
4. **Options to be issued subject to Shareholder approval**
 - a. Utilising the Company's 15% placement capacity, the Company executed a placement of 30,000,000 shares in July 2020 at a price of \$0.005 with 15,000,000 free attaching options (on the basis of option for every two shares). Issue of the Options is subject to shareholder approval at the next EGM/AGM.
 - b. Advisor Options of
 - i. 7,500,000 options to GTT for the placement
 - ii. 42,500,000 options to GTT provided 100% of the shortfall shares are placed.

SECTION 4 RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of New Shares

All New Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official ASX Quotation of all New Shares issued under The Offer.

4.2 Rights and Liabilities Attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

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

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

4.3 Rights and Liabilities Attaching to Options

TERMS AND CONDITIONS OF OPTIONS

The terms of the issue of the Options are:

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

SECTION 5 ADDITIONAL INFORMATION

5.1 Company Update

The Company continues to undertake farm-out and development planning activities on its existing Bowsprit Project whilst identifying and reviewing other commercial opportunities for the Company which complement the Company's existing projects and activities.

The Company has extended State Lease SL21754 expiry date to be equal of SL21787 of 14 March 2021. The intent of the Company is to farm-out the project to bring in a new partner who will (substantially) fund the first well to earn a working interest in the project.

More details on the Bowsprit Project can be found on the Company's website and in the quarterly reports at www.ProminenceEnergy.com.au

5.2 Nature of this Prospectus

The New Shares to be issued pursuant to this Prospectus are continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus and the underlying securities.

The 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. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.3 Continuous Reporting and Disclosure Obligations

The Company is listed on ASX and its Shares are quoted on ASX under the code "PRM".

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since the Company lodged its most recent Annual Financial Report on 29 October 2019 free of charge to any investor who so requests prior to the Closing Date. A list of those documents for the period from 29 October 2019 to the time of lodging this Prospectus is set out in Section 6. The Company will also provide a copy of the Annual Financial Report for the period ended 2019 free of charge upon request.

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5.4 Market Price of Shares

The highest and lowest recorded closing market sale prices of the Shares quoted on ASX during the three (3) month period immediately prior the date of this Prospectus were \$0.011 on 20 August 2020 and 0.006 on 4 August 2020. The last closing market sale price of the Shares quoted on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was 0.008.

5.5 Material Contracts and Agreements

5.5.1 Lead Manager Arrangement

GTT as lead manager has been mandated to place the shortfall. GTT will be entitled to

- (c) 6% of all funds raised from shortfall placed
- (d) Subject to the placement of all the Shortfall GTT will receive 42.5 million options, subject to shareholder approval at the next general meeting. (2c exercise price and with an expiry date of 1 September 2023)

5.5.2 Winform Debt restructure Agreement

The Company has reached an agreement with Winform Nominees Pty Ltd (ACN 152 706 717) (**Winform**) in respect of the loan the subject of the Converting Loan Agreement entered into in February 2015 that is repayable on the earlier of 31 March 2021 and the Company entering into a "Transaction" (capital raising of at least \$15 million or takeover). Due to the delay in the Company finalising a farm-out of its interest in the Bowspirit Project due to COVID-19, the debt the subject of the Converting Loan Agreement has been restructured in a deal that is acceptable to both parties. Under this deal, Winform has agreed to accept the following in consideration of releasing the Company of its obligations under the Converting Loan Agreement and as consideration for the release of the security provided for the loan:

- (e) \$150,000 payable by the Company to Winform from the proceeds of the issue of Shares under this Prospectus.
- (f) the issue by the Company of 15 million Options on the terms set out in section 4.3, subject to the Company obtaining, if required to effect the issue, the approval of its Shareholders; and
- (g) a 1% royalty granted by its subsidiary, Sun Louisiana LLC, on the Company's net production of hydrocarbons produced from the Bowspirit Project.

5.6 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company other than those as detailed in the 2019 Annual Report Note 8, page 35, and reproduced in the risk section. Any potential liability of the Group is limited Sun Delta and the Board has no current intention to support Sun Delta in relation to this liability.

5.7 Directors' Interests

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

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

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and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- to induce him to become, or to qualify him as, a Director; or
- for services rendered by him in connection with the formation or promotion of the Company or the Offer.

5.8 Related Party Transactions

Patric Glovac is a Director of both Prominence Energy NL and GTT the Company's Corporate Advisor. Patric has abstained from Board discussions regarding the negotiation and acceptance of terms from the Lead Manager GTT.

There are no other related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.9 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, 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 holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

1. the formation or promotion of the Company; or
2. property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
3. the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, 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 this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Pursuant to Section 716 of the Corporations Act,

GTT has given, and has not withdrawn, its written consent to be named as the Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. GTT has acted as Lead Manager to the Company in relation to the Offer and provided offer management services. The Company estimates it will pay GTT fees for these services in accordance with the Lead Manager Arrangement set out in Section 5.5.1 of the Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTT has been paid \$61,412 for Capital Raising and Corporate Advisor services provided to the Company.

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5.10 Estimated Expenses of the Offer

In the event the Offer is fully subscribed, the estimated expenses of the Offer (excluding GST and offer management and broker fees) are as follows:

Fees/Expenses	25% Subscription (\$)	50% Subscription (\$)	80% Subscription (\$)	Full Subscription (\$)
ASIC fees	\$2,290	\$2,290	\$2,290	\$2,290
ASX quotation fees	\$3,025	\$4,440	\$5,580	\$6,339
Printing, registry and other expenses	\$7,480	\$7,480	\$7,480	\$7,480
Total	\$13,711	\$15,126	\$16,266	\$17,025

5.11 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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

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SECTION 6 INFORMATION AVAILABLE TO SHAREHOLDERS

The Company will provide a copy of each of the following documents, free of charge, to any Shareholder who so requests:

- (a) the Annual Financial Report for the Company for the period ended 30 June 2019; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period 2019 and prior to the date of this Prospectus.

Date	ASX Announcement
7/09/2020	Announcement of Rights Issue
18/08/2020	Final Directors Interest Notice
11/08/2020	Appendix 2A
6/08/2020	Change in substantial holding
6/08/2020	Director Appointment/Resignation
3/08/2020	Becoming a substantial holder
3/08/2020	Change of Director's Interest Notice
31/07/2020	Quarterly Cashflow Report
31/07/2020	Quarterly Activities Report
31/07/2020	Change in substantial holding
31/07/2020	Proposed issue of Securities - PRM
31/07/2020	Prominence Capital Raising
30/07/2020	Becoming a substantial holder
29/07/2020	Appendix 2A
29/07/2020	Trading Halt
27/07/2020	Update - Consolidation/Split - PRM
10/07/2020	Update - Consolidation/Split - PRM
10/07/2020	Lease Extension
10/07/2020	Results of Meeting
16/06/2020	Consolidation/Split - PRM
12/06/2020	Appendix 3G
10/06/2020	Letter to Shareholders for EGM
10/06/2020	Notice of Extraordinary General Meeting/Proxy Form
22/05/2020	Response to ASX query
22/05/2020	Prominence Energy Forward Plan
30/04/2020	Quarterly Cashflow Report
30/04/2020	Quarterly Activities Report

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Date	ASX Announcement
16/03/2020	Half Year Accounts
13/03/2020	Appointment of Auditor
6/03/2020	Appendix 3G
5/02/2020	De-risked Reserve Upgrade for Bowsprit Oil Project
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report
30/01/2020	EGM Results of Meeting
2/01/2020	Notice of Annual General Meeting/Proxy Form
9/11/2019	Results of Annual General Meeting
29/11/2019	CEO Presentation AGM
28/11/2019	Response to ASX Appendix 5B Query
28/11/2019	Final Drilling Permit Granted
1/11/2019	Appendix 4G Corporate Governance Statement
1/11/2019	Federal Permit to Drill Granted
31/10/2019	Appendix 5B Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
29/10/2019	Notice of Annual General Meeting/Proxy Form
29/10/2019	2019 Annual Report to Shareholders

SECTION 7 DIRECTORS' CONSENT

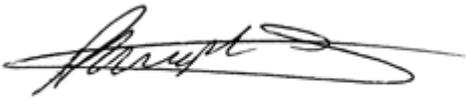
This Prospectus is dated 8 September 2020 and is issued by Prominence Energy NL.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Prominence Energy NL has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Prominence Energy NL.

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

Alexander Parks
Managing Director
8 September 2020

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SECTION 8 DEFINITIONS

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

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

Application Money means the aggregate amount of money payable for Securities applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHES means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offer being 5.00pm (WST) on 30 September 2020 (unless extended).

Company means Prominence Energy NL (ACN 009 196 810).

Constitution means the Company's Constitution as at the date of this Prospectus.

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

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or \$ means dollars in Australian currency.

Eligible Shareholder means a Shareholder who has a registered address in Australia or New Zealand and who held Shares as at the Record Date.

Employee Performance Rights Plan means the scheme to be approved by shareholders and which is designed to incentivise eligible employees of the Company.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Issue Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus.

Entitlement Issue means the pro rata non-renounceable entitlement issue on the basis of one (1) New Share for every one (1) existing Share held at an issue price of \$0.005 per New Share. The Offer includes one free attaching option for every two shares subscribed for. The Options will have an exercise price of \$0.02 and an expiry date of 1 September 2023, further details of which are included in the "Details of the Offer" Section of this Prospectus.

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

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Lead Manager means GTT Ventures Pty Ltd (GTT) in accordance with the Lead Manager Arrangement.

Lead Manager Arrangement means the engagement of GTT by the Company under the lead manager mandate and offer management agreement as described in section 5.5.1.

GTT means GTT Ventures Pty Ltd (ACN 601 029 636)

Listing Rules means the Listing Rules of the ASX.

Lodgement Date means 8 September 2020.

New Share means a Share issued pursuant to the Offer under this Prospectus.

Offer means the offer of New Shares pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 16 September 2020.

Option means an option to acquire a Share in the capital of the Company.

Prospectus means this prospectus dated 8 September 2020.

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

Record Date means 12 September 2020.

Right means a right to subscribe for a Prominence Energy NL Share pursuant to this Prospectus.

Securities means Shares and/or Options.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Shortfall means those New Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 1.7 of this Prospectus.

Shortfall Shares means those Securities issued pursuant to the Shortfall.

Bowsprit Project means the Petroleum accumulations (proven and prospective) in Louisiana State Leases SL21754 & SL21787.

Unlisted Options means an unlisted Option to acquire a Share in the Company.

VWAP means Volume Weighted Average Price.

WST means Western Standard Time, Perth, Western Australia.