



Despatch of Pro-rata Rights Issue Offer Documents

ACN 000 752 849

ASX Code: ABL

Level 4, 100 Albert Road
South Melbourne VIC 3205

Contact:

Phone: +61 (0)3 9692 7222

Fax: +61 (0)3 9077 9233

Board of Directors:

Paul Salter (Chairman)

Peter Best (Executive)

Craig Mathieson (Non-executive)

Mordechai Benedikt (Non-executive)

Company Secretaries:

Justin Mouchacca

Melanie Leydin

Securities on Issue:

73,223,295

About Abilene Oil and Gas Limited

Abilene Oil and Gas Limited is a Mid West USA focused production, development and exploration company. The company assets are located in Kansas. The company strategy is focused on building up oil production assets, increasing drilling locations and adding exploration acreage in the region. The company strategy is based on a combination of targeting high return projects and innovative funding while maintaining low overhead and corporate costs.

Abilene Oil and Gas Limited ('Abilene' or 'the Company') is pleased to advise that the following attached documents in relation to its Pro-Rata Rights Issue Entitlement Offer ('Offer') have been despatched to eligible shareholders today:

- Pro-Rata Rights Issue Entitlement Offer Booklet (**Offer Booklet**); and
- the Entitlement and Acceptance Form.

Abilene confirms that the Offer contained in the Offer Booklet is now open and will close at 5.00pm (Melbourne time) on Thursday, 26 March 2015, being the last date for receipt of Entitlement and Acceptance Forms and payment (as stated in the indicative timetable in the Offer Booklet).

For further information or enquiries, please contact:

Justin Mouchacca

Company Secretary

T: +61 (0)3 9692 7222



Pro-rata Rights Issue Entitlement Offer

Details of a 4 for 1 renounceable entitlement offer of ordinary shares in Abilene Oil and Gas Limited (**New Shares**) at an offer price of A\$0.01 per New Share

**This offer closes at 5.00pm (Melbourne time)
on Thursday, 26 March 2015**

This is an important document which is accompanied by an Entitlement and Acceptance Form for you to subscribe for new ordinary shares in Abilene Oil and Gas Limited. They should be read in their entirety.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the Shares offered under this document.

Please read this document carefully and call your stockbroker, accountant, or other professional adviser if you have any queries.

Pro-rata Rights Issue Entitlement Offer

Corporate Directory	3
Chairman's Letter	4
Important information	6
Key Offer terms and dates	10
Details of the Offer	12
Key Risks	22
How to apply for New Shares	25
Glossary	30

Corporate Directory

Abilene Oil and Gas Limited

ACN 000 752 849

Registered office

Level 4

100 Albert Road

South Melbourne VIC 3205

Telephone: +61 3 9692 7222

Facsimile: +61 3 9077 9233

Directors

Mr Paul Salter (Chairman)

Mr Peter Best (Executive Director)

Mr Craig Mathieson (Non-executive Director)

Mr Mordechai Benedikt (Non-executive Director)

Company Secretaries

Ms Melanie Leydin

Mr Justin Mouchacca

Share Registry

Computershare Investor Services Pty Limited

452 Johnston Street

Abbotsford VIC 3067

Website

To view annual reports, shareholder and company information, news announcements, background information on the Company's businesses and historical information, visit www.asx.com.au.

Chairman's Letter

6 March 2015

Dear Shareholder,

Capital Raising – Rights Issue Entitlement Offer

As announced to ASX on 6 March 2015, Abilene Oil and Gas Limited (**Company**) is undertaking a 4-for-1 renounceable rights issue of ordinary shares in the Company (**New Shares**) at an offer price of A\$0.01 per New Share (**Rights Issue**).

Shares under the Rights Issue will be offered at \$0.01 per New Share (**Issue Price**) which represents an approximately:

- 71.43% discount to the closing price of ordinary shares in the Company of \$0.035 (3.5 cents) on 5 March 2015, being the last trading day before the announcement of the Rights Issue;
- a 69.34% discount to the volume weighted average price (**VWAP**) of shares in the Company in the one month prior to 6 March 2015; and
- a 69.34% discount to the VWAP of shares in the Company in the three months prior to 6 March 2015.

The maximum number of New Shares which may be issued under the Rights Issue is 292,893,180 to raise up to \$2,928,931.80 for the Company.

The Rights Issue also comprises an offer of New Shares to Eligible Shareholders to apply for any shares not taken up under the Rights Issue (**Shortfall Offer**). Participation in the Shortfall Offer will be uncapped, that is, limited only by the 20% voting power threshold in section 606 of the Act and the available remaining New Shares following the Rights Issue. New Shares not taken up under the Rights Issue or the Shortfall Offer will form part of the underwritten shortfall under the Rights Issue.

Please note that each of the Rights Issue is underwritten up to a maximum of \$2,000,000. Shares not taken up under the Shortfall Offer will be included in the underwritten shortfall under the Rights Issue.

The Company is making the Offer to raise funds in to order to:

- (a) finance exploration of the recently acquired interest in over 15,600 acres in the Central Kansas Uplift (**CKU**) project, which comprises 204 individual leases throughout Kansas, with approximately 5,000 acres already paid for, with the remaining 10,000 acres the subject of two further option payments (of approximately US\$750,000 each, one of which is due in April 2015);
- (b) consider recent 3D seismic data in relation to the Morrison Oil Fields which are located in Clark County, Kansas and the Kinsley Project in Edward County, Kansas;
- (c) repay the short term interest free loan in the amount of \$320,000, provided by a related entity of Mr Craig Mathieson and Holdrey Pty Ltd to the Company in order to fund completion costs relating to the Company's recent drilling of the Woelk #1-19 and Woelk #1-21 wells at the Company's CKU project (as announced on 16 January 2015 and 23 January 2015);
- (d) as noted above, finance the payment of approximately US\$750,000 in April 2015 for the exercise of an option on approximately 5,000 acres in the CKU project;

- (e) undertake further evaluation drilling on the CKU project over the coming 6 months. The Company's share of this cost is expected to be around US\$1,000,000;
- (f) finance ongoing working capital requirements; and
- (g) finance the expenses of the Offer.

It is important to note that the Offer closes at 5.00pm (Melbourne time) on Thursday, 26 March 2015.

I encourage you to read this booklet before deciding whether or not to participate. You may wish to obtain professional advice to assist you with your decision.

If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, your completed Entitlement and Acceptance Form and your Application Money are received by our share registry, Computershare Investor Services Pty Ltd, or you have paid your application monies pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form.

On behalf of the Board of the Company, I invite you to consider this investment. I also take this opportunity to thank you for your ongoing support of our Company.

Yours sincerely,



Mr Paul Salter
Chairman

Important information

This information is important and requires your immediate attention.

1. This document is not a prospectus

This booklet and enclosed Entitlement and Acceptance Form (**Offer Booklet**) have been prepared by Abilene Oil and Gas Limited ACN 000 752 849 (**Company**). This Offer Booklet is dated 6 March 2015.

This Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered in the Offer Booklet.

You should read this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the 'Key Risks' section of this Offer Booklet, that could affect the performance of the Company or the value of an investment in the Company.

The Company has applied for the grant by ASX of official quotation of the New Shares.

1.1 Section 708AA of the Corporations Act

This Offer Booklet has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Class Order 08/35). In general terms, section 708AA permits certain companies to undertake pro-rata rights issues without being required to use or provide shareholders a prospectus or other disclosure document.

Accordingly, the level of disclosure in this Offer Booklet is significantly less than the level of disclosure required in a prospectus. Eligible Shareholders should rely on their knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to apply under the Rights Issue or Shortfall Offer.

1.2 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (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 Company's securities. All announcements made by the Company are available from ASX's website www.asx.com.au.

Additionally the Company is also required to prepare and lodge yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company and ASX websites.

2. Future performance and forward looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this Offer Booklet. Forward looking statements, opinions and estimates provided in the Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Booklet.

3. Past performance

Investors should note that the past share price performance of the Company provides no guidance as to its future share price performance.

4. This Offer Booklet is not investment advice

The Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice or investment advice nor a recommendation to acquire New Shares. It has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares.

The Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to take up your entitlements to New Shares under the Rights Issue or apply for New Shares under the Shortfall Facility, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Offer Booklet, you have any questions about the Rights Issue and Shortfall Offer, you should contact your stockbroker, accountant or other independent professional adviser.

5. Shareholders to consider individual taxation consequences

There may be tax consequences associated with being issued New Shares under the Rights Issue. These consequences will vary depending on the circumstances of each individual shareholder. Shareholders should consult their professional tax advisers in this regard.

None of the Company, its officers, employees and advisers is able to give you advice about the specific tax consequences for you. This Offer Booklet is not giving tax advice.

6. Information availability

Eligible Shareholders in Australia and New Zealand can obtain a further copy of this Offer Booklet during the period of the Rights Issue by contacting the Share Registry on the numbers listed in the Corporate Directory in this booklet.

Persons accessing the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the Company's website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Company.

Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

7. Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

7.1 New Zealand

The New Shares being offered under this Offer Booklet are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand) (**NZ Exemption Notice**). The disclosure materials are being distributed in New Zealand only to persons to whom securities may be offered in New Zealand under the NZ Exemption Notice. This Offer Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law, and may not contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the *Securities Act 1978* (New Zealand) or the *Financial Markets Conduct Act 2013* (New Zealand).

In accordance with relevant New Zealand securities law, a person who, on the Record Date, being 7.00pm (Melbourne time) on 13 March 2015, was registered as a holder of Shares with a New Zealand address but who, at the time of this Rights Issue (6 March 2015) no longer holds Shares, is not eligible to participate in this Rights Issue.

The offer of the New Shares will comply with the laws of Australia applicable to the offer of the New Shares.

The taxation treatment of Australian securities is not the same as for New Zealand securities. The offer of the New Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

7.2 Other foreign jurisdictions

No action has been taken to register or qualify the Rights Issue, Shortfall Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

7.3 Nominees and custodians

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Rights Issue or Shortfall Offer or accept the Rights Issue in relation to any person in the United States, any person that is, or is acting for the account or benefit of, a U.S. Person, or to any person in any other jurisdiction outside Australia or New Zealand, or as the Company may otherwise permit in compliance with applicable law.

7.4 Restrictions

The following international selling restrictions relate to the issue of New Shares under the Rights Issue and Shortfall Offer:

This Offer Booklet does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person, or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

Neither the Entitlements nor the New Shares have been or will be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.

8. Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website www.computershare.com.au.

9. No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted. Further, Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.

10. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Rights Issue and Shortfall Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Rights Issue and/or Shortfall Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet.

11. Governing law

This Offer Booklet, the Rights Issue, Shortfall Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia.

Key Offer terms and dates

1. Key offer terms

Key offer terms	
Issue Price	\$0.01 per New Share payable in full on application ¹
Entitlement	4 New Shares for every 1 Share held on the Record Date
Record Date	13 March 2015
Discount to the last closing price before the announcement of the Rights Issue (i.e. the closing price of the Shares on 5 March 2015), being \$0.035 (3.5 cents) per Share	71.43%
Discount to the VWAP for the one month before the announcement of the Rights Issue (6 March 2015), being \$0.033 (3.3 cents) per Share	69.34%
Discount to the VWAP for the three months before the announcement of the Rights Issue (6 March 2015), being \$0.033 (3.3 cents) per Share	69.34%
Discount to the VWAP for the six months before the announcement of the Rights Issue (6 March 2015), being \$0.048 (4.8 cents) per Share	79.30%
Approximate number of New Shares to be issued under the Rights Issue	292,893,180 New Shares
Amount to be raised under the Rights Issue (excluding expenses)	Approximately \$2,928,931.80
Approximate number of Shares on issue following the Rights Issue and Shortfall Offer (if applicable)	366,116,475 Shares

¹ All references in this document to A\$ are to Australian dollars.

2. Indicative timetable²

Event	Date
Announcement of Rights Issue	6 March 2015
The Company to send notice to Eligible Shareholders containing information required by Appendix 3B	10 March 2015
"Ex date" - the date on which Shares are quoted ex-Entitlement and Entitlements trading can commence on ASX	11 March 2015
"Record Date" - the date for determining entitlements of Eligible Shareholders to participate in the Rights Issue and Shortfall Offer (7.00pm Melbourne time)	13 March 2015
Anticipated dispatch of offer materials and Entitlement and Acceptance Form to Shareholders (and announcement to ASX)	17 March 2015
Last day of Rights trading (including Entitlements held by the Nominee on behalf of Ineligible Foreign Shareholders)	19 March 2015
Last date for receipt of Entitlement and Acceptance Forms and payment (Applications Closing Date) (5:00pm Melbourne time)	26 March 2015
The Company to inform ASX of any shortfall under the Rights Issue	30 March 2015
The Company to issue New Shares under the Rights Issue, Shortfall Offer and underwriting agreements	2 April 2015
Normal trading commences	7 April 2015
Dispatch of holdings statements	7 April 2015

3. Timetable is subject to change

Applicants are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Rights Issue and Shortfall Offer opens. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Rights Issue and Shortfall Offer, including extending the Rights Issue and/or Shortfall Offer or accepting late applications, either generally or in particular cases, without notice.

No cooling off rights apply to the Offer.

4. Enquiries

If you have any questions in relation to the Offer, you should consult your stockbroker, accountant or other independent professional adviser.

If you have any questions in relation to how to complete the Entitlement and Acceptance Form, please contact the Company on +61 3 9692 7222 (within Australia) from 8.30am to 5.00pm (Melbourne time) between Monday to Friday.

² The above timetable is indicative only and subject to change. The Company, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Details of the Offer

1. Summary of the Offer

The Company is conducting an underwritten pro-rata renounceable rights issue offering Eligible Shareholders in Australia and New Zealand 4 New Shares for every 1 Share held at 7.00pm (Melbourne time) on Friday, 13 March 2015 (**Record Date**) at an issue price of \$0.01. The Issue Price per New Share is payable in full on application.

Based on the current capital structure of the Company, a maximum of 292,893,180 New Shares may be issued under the Rights Issue in order to raise up to \$2,928,931.80 for the Company.

1.1 Rights Issue

Each Eligible Shareholder is entitled to apply for 4 New Shares for every 1 Share held on the Record Date (**Entitlements**). You may apply for a lesser number of New Shares should you wish to only take up a portion of your entitlements under the Rights Issue.

The number of New Shares to which you are entitled is shown on the accompanying Application and Entitlement Form. If you have more than one registered holding of shares, you will be sent more than one personalised Application and Entitlement Form and you will have separate Entitlements for each separate holding.

1.2 Issue Price

The Issue Price payable for each New Share is \$0.01.

Eligible Shareholders will not be required to pay brokerage or other fees in respect of New Shares acquired under the Rights Issue.

1.3 Entitlements are renounceable

The Rights Issue is renounceable. This means that Shareholders who do not wish to take up all or a part of their Entitlements may be able to sell their Entitlements on ASX and recoup any value transfer. Trading of Entitlements will commence on ASX on 11 March 2015 and will cease on 19 March 2015.

Purchasers of Entitlements on ASX can participate in the Rights Issue but do not have a right to participate in the Shortfall Offer.

This is explained in further detail in the 'How to apply for New Shares' section of this Offer Booklet.

If a Shareholder does not receive any payment or value for their Entitlements and does not subscribe under the Rights Issue, their proportionate equity interest in the Company will be diluted.

1.4 Shortfall Offer

Eligible Shareholders who take up their Entitlements in full are also able to participate in a further offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Rights Issue and have not been taken up by them (**Shortfall Offer**). Purchasers of Entitlements on ASX are unable to participate in the Shortfall Facility.

New Shares which might otherwise have been offered to persons outside Australia and New Zealand are not included in the Shortfall Offer. In addition:

- (a) the Shortfall Offer is only made to Eligible Shareholders who take up their Entitlements in full;
- (b) there is no guarantee that any application in the Shortfall Offer will be successful and, in the event that there are excess oversubscription applications, the Company reserves its right to scale back applications for New Shares under the Shortfall Offer on an equitable basis (subject to a limit on Eligible Shareholders acquiring a relevant interest in the Shares in the Company in contravention of section 606 of the Corporations Act);
- (c) the Shortfall Offer has the same Record Date and Applications Closing Date;
- (d) the issue price of New Shares under the Shortfall Offer is \$0.01 per New Share; and
- (e) the Company will not issue New Shares under the Shortfall Offer to an Eligible Shareholder where to do so would result in a breach of the Company's constitution, the Corporations Act or ASX Listing Rules.

Applicants wishing to apply for New Shares under the Shortfall Offer are required to complete the Entitlement and Acceptance Form and provide the requisite Application Money.

1.5 Allocations under the Shortfall Offer

Applicants who submit an Entitlement and Acceptance Form applying for New Shares under the Shortfall Offer will not be assured of receiving any New Shares applied for under that form.

The Company reserves the right to allot any New Shares on an equitable basis or scale-back your application for New Shares under the Shortfall Offer. Therefore, your application for New Shares may not be successful (wholly or partially). The decision of the Company on the number of New Shares to be allocated to you (if any) will be final.

The Company will scale-back any application for New Shares in order to prevent section 606 of the Corporations Act from applying to an Eligible Shareholder whose voting power in the Company would otherwise exceed 20%.

If applications for New Shares are not accepted in part or full, the relevant application monies (without interest) will be refunded by the Company in accordance with the provisions of the Corporations Act.

2. Eligible Shareholders

This Offer Booklet contains an Offer to Eligible Shareholders in Australia or New Zealand.

To qualify for the Offer (i.e. the Rights Issue and the Shortfall Offer), a Shareholder must:

- (a) be registered as a Shareholder at as at 7.00pm (Melbourne time) on Friday, 13 March 2015 (**Record Date**);
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;
- (c) not be in the United States and must not be a U.S. Person and not be acting for the account or benefit of a person located in the United States or a U.S. Person; and
- (d) be eligible under all applicable securities laws to receive an offer under the Rights Issue or Shortfall Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(**Eligible Shareholders**).

The Offer is not being extended to any shareholder outside Australia and New Zealand.

3. Underwriting

3.1 The Underwriting Agreement

On 6 March 2015, the Company entered into an underwriting agreement with:

- (a) Holdrey Pty Ltd as trustee for the Don Mathieson Family Trust (**Holdrey**), an entity controlled by Mr Craig Mathieson, a director of the Company; and
 - (b) Salter Brothers Private Pty Ltd, an entity associated with Mr Paul Salter, a director of the Company,
- (collectively, the **Underwriters**),

who have agreed to severally underwrite the Offer:

- (c) in equal proportions;
- (d) up to a maximum of 200,000,000 Shares in aggregate at an aggregate issue price of \$2,000,000; and
- (e) on the terms and conditions set out in the underwriting agreement

(**Underwriting Agreement**).

For the purposes of section 9 of the Corporations Act, Salter Brothers Private Pty Ltd is an 'associate' of the Company's Chairman, Mr Paul Salter and of MAP Capital Pty Ltd (a company of which Mr Paul Salter is a director), which holds approximately 4.74% of the Shares on issue in the Company as at the date of this Offer Booklet.

As at the date of this Offer Booklet, Holdrey holds a relevant interest of 22.55% of the Shares on issue in the Company.

As at the date of this Offer Booklet, the Underwriters have not determined to what extent they will participate in the Rights Issue.

3.2 Terms and conditions of the Underwriting Agreement

The Underwriting Agreement contains terms and conditions customary for agreements of that nature, including warranties in favour of the Underwriters.

Under the terms of the Underwriting Agreement, each Underwriter is entitled to a fee equal to:

- (a) if the Underwriters have each taken up their full Entitlements under the Rights Issue, 4.00% of the amount underwritten by that Underwriter; or
- (b) if either Underwriter has not taken up their full Entitlements under the Rights Issue, 4.00% of the following amount:
 - (i) the amount underwritten by that Underwriter; less
 - (ii) the amount equal to the full Entitlement of that Underwriter under the Rights Issue, in dollar terms.

As at the date of this Offer Booklet, the Underwriters have not determined to what extent they will participate in the Rights Issue.

The Company and the Underwriters have each given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Rights Issue and the Shortfall Offer. Each Underwriter may immediately terminate the Underwriting Agreement and be released from its obligations under it by written notice to the Company without cost or liability on any one or more of the following termination events including where:

- (a) the Company is removed from the official list of ASX or the Shares cease to be quoted or are suspended from quotation by ASX;
- (b) there are material disruptions in financial or economic conditions in key markets, certain falls in the S&P/ASX 200 index or hostilities commence or escalate in certain key countries; and
- (c) there is an outbreak of hostilities involve any one or more of Australia, the United Kingdom, the United States, the People's Republic of China, Japan, Indonesia or any member country of the Organisation of Petroleum Exporting Countries,

provided that the relevant Underwriter determines reasonably and in good faith that the relevant event has or would have had a material adverse effect on the Offer or could create a potential liability for the Underwriter under the Corporations Act or any other applicable law.

Please note that the above is not an exhaustive list of the termination events in the Underwriting Agreement.

3.3 Possible change of control effects of the Underwriting Agreement

As well as being associated with directors of the Company, each of the Underwriters (and their associates) are shareholders in the Company.

In the event that the Offer is undersubscribed, the Underwriters may be issued New Shares in the Company such that there may be change of control consequences. Potential change of control scenarios are discussed in detail in Section 7 of the 'Details of the Offer' section of this Offer Booklet.

4. Rights and liabilities attaching to Shares

New Shares issued under this Offer Booklet will be fully paid ordinary shares in the capital of the Company and will rank equally with all Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules.

5. Offer timetable³

The Offer will open for receipt of acceptances from 17 March 2015. The Closing Date and time for acceptances and payments is 5.00pm (Melbourne time) on 26 March 2015, subject to the Company varying the Closing Date in accordance with the Corporations Act and Listing Rules and the consent of the Underwriters.

A detailed timetable is included in paragraph 2 of the 'Key Offer terms and dates' section of this Offer Booklet.

6. Purpose of the Offer

The Company is making the Offer to raise funds in to order to:

- (a) finance exploration of the recently acquired interest in over 15,600 acres in the Central Kansas Uplift (CKU) project, which comprises 204 individual leases throughout Kansas, with approximately 5,000 acres already paid for, with the remaining 10,000 acres the subject of two further option payments (of approximately US\$750,000 each, one of which is due in April 2015);
- (b) consider recent 3D seismic data in relation to the Morrison Oil Fields which are located in Clark County, Kansas and the Kinsley Project in Edward County, Kansas;
- (c) repay the short term interest free loan in the amount of \$320,000, provided by a related entity of Mr Craig Mathieson and Holdrey Pty Ltd to the Company in order to fund completion costs relating to the Company's recent drilling of the Woelk #1-19 and Woelk #1-21 wells at the Company's CKU project (as announced on 16 January 2015 and 23 January 2015);
- (d) as noted above, finance the payment of approximately US\$750,000 in April 2015 for the exercise of an option on approximately 5,000 acres in the CKU project;
- (e) undertake further evaluation drilling on the CKU project over the coming 6 months. The Company's share of this cost is expected to be around US\$1,000,000;
- (f) finance ongoing working capital requirements.

The expenses of the Offer will be funded from the proceeds of the Offer.

³ Dates and times are indicative only and subject to change at the discretion of the Company. All times and dates refer to AEDT.

7. Effect on capital structure

7.1 Effect on existing capital structure

Assuming that the maximum number of New Shares are issued under the Rights Issue, the capital structure of the Company will be as follows:

Shares	Number
Shares on issue as at 6 March 2015	73,223,295
New Shares offered under the Entitlement Offer as per this Offer Booklet	292,893,180
Total Shares on issue on close of the Entitlement Offer	366,116,475

At the date of this Offer Booklet, the Company also has 6,400,000 unlisted options on issue, all of which may be exercised prior to the Record Date in order to participate in the Rights Issue. The options do not carry an entitlement to participate in the Offer.

7.2 Dilution and effect on control of the Company

Shareholders should note that if they do not participate in the Rights Issue, their holdings may be diluted by as much as approximately 80% (as compared to their holdings and the number of Shares on issue on issue at the date of this Offer Booklet).

The following are examples of how any dilution may impact Shareholders that do not participate in the Rights Issue, assuming that the maximum number of New Shares available under the Offer are issued:

Example Shareholder	Holdings as at Record Date	% at Record Date	Entitlement under the Rights Issue	Holdings if Entitlements not taken up	% following allotment of Shares
Shareholder 1	10,000,000	13.66%	40,000,000	10,000,000	2.73%
Shareholder 2	5,000,000	6.83%	20,000,000	5,000,000	1.37%
Shareholder 3	1,000,000	1.37%	4,000,000	1,000,000	0.27%
Shareholder 4	500,000	0.68%	2,000,000	500,000	0.14%

7.3 Details of substantial shareholders

The potential effect that the Offer may have on the control of the Company and the consequences of that effect will depend on a number of factors, including Eligible Shareholders' interest in taking up their Entitlements and participating in the Shortfall Offer.

As at the date of this Offer Booklet, those persons which (together with their associates) have a relevant interest in 5.00% or more of the Shares on issue in the Company are set out below:

Shareholder	Number of shares	%
Holdrey Pty Ltd ⁴	16,513,157	22.55%
The Silman Entities ⁵	8,749,999	11.95%

7.4 Directors' interests and participation

As at the date of this Offer Booklet, the Directors of the Company (together with their associates) have the following interests in the Shares on issue in the Company:

Directors	Number of shares	%
Craig Donald Mathieson Holdrey Pty Ltd, Donald Douglas Vincent Mathieson	16,513,157	22.55%
Paul Salter MAP Capital Pty Ltd as trustee for the Richmond Terrace Capital Absolute Return Fund	3,472,222	4.74%
Mordechai Benedikt Jascot Rise Pty Ltd	1,008,333	1.38%
Peter Best	0	Nil%

7.5 Possible change of control effects as a result of the Rights Issue, Shortfall Offer and the Underwriting Agreement

The Company is undertaking a renounceable pro-rata issue of Shares and has provided for the Shortfall Offer to minimise any change of control effects that may result from the capital raising. However, Shareholders should consider the possible control scenarios that may flow from the Rights Issue, Shortfall Offer and, in particular, the Underwriting Agreement.

Each of the Underwriters have a relevant interest in a significant amount of Shares in the Company as at the date of this Offer Booklet:

- (a) Holdrey Pty Ltd is an entity controlled by Mr Craig Mathieson and as at the date of this Offer Booklet holds approximately 22.55% in the issued Shares in the Company; and

⁴ Craig Donald Mathieson is a director and practical controller of Holdrey Pty Ltd. Craig Mathieson is also a Director of the Company.

⁵ Rokeba Nominees Pty Ltd, New Hopetoun Pty Ltd, Maurice Silman, Ezra Silman, Burjoe Pty Ltd, Cadmium Pty Ltd Drybridge Pty Ltd, Fossbridge Pty Ltd, Langley Pty Ltd, Ragadon Investments Pty Ltd, Rochgate Pty Ltd, Staedpoe Pty Ltd, Stagefront Pty Ltd, and Tashlich Nominees Pty Ltd.

- (b) Each of Salter Brothers Private Pty Ltd and MAP Capital Pty Ltd are associates of Mr Paul Salter (**MAP Entities**). This means that MAP Capital Pty Ltd's current holding of approximately 4.74% in the issued Shares in the Company must be aggregated with any New Shares issued to Salter Brothers Private Pty Ltd pursuant to the Underwriting Agreement.

Depending on the extent to which Shareholders exercise their Entitlements to apply for New Shares under the Rights Issue and New Shares under the Shortfall Offer, the dilutive effects of the Underwriting Agreement will differ.

Assuming each of the Underwriters take up their full Entitlements under the Rights Issue, the following are examples of how Shareholders that do not participate in the Rights Issue may be impacted in terms of overall dilution in ownership:

% Take Up by Non-Underwriters under the Rights Issue and Shortfall Offer	Number of New Shares issued to Non-Underwriters	Number of New Shares issued to Underwriters	Total number of New Shares issued	Total Number of shares on issue post-Rights Issue	Maximum change in aggregate % ownership of Non-Underwriters
100%	212,951,664	79,941,516	292,893,180	366,116,475	0.00%
75%	159,713,748	133,179,432	292,893,180	366,116,475	-14.54%
50%	106,475,832	186,417,348	292,893,180	366,116,475	-29.08%
25%	53,237,916	200,000,000	253,237,916	326,461,211	-40.09%
0%	Nil	200,000,000	200,000,000	273,223,295	-53.22%

In light of the Underwriting Agreement, each scenario would have the following control effects vis-à-vis the Underwriters:

% Take Up by Non-Underwriters under the Rights Issue and Shortfall Offer	% Holding of Holdrey Pty Ltd post- Offer	% Holding of MAP entities post- Offer
100%	22.55%	4.74%
75%	22.70%	19.14%
50%	29.97%	26.31%
25%	35.69%	31.70%
0%	42.64%	37.87%

8. Issue of New Shares

New Shares under the Offer are expected to be issued on or around 2 April 2015 (subject to change at the discretion of the Company).

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

9. ASX Listing

The Company has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under this Offer Booklet on 7 April 2015.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry, the Underwriters or otherwise.

Neither ASX nor any of its officers accepts takes any responsibility for the contents of this Offer Booklet.

10. Ineligible Foreign Shareholders

The New Shares being offered under this Offer Booklet are being offered to Shareholders with registered addresses in Australia or New Zealand.

The Company has determined that it is not economically viable for it to make offers to Ineligible Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Ineligible Foreign Shareholders reside.

The Company reserves the right in its absolute discretion to offer the Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Directors in their sole discretion regard as acceptable.

This Offer Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Offer Booklet outside Australia or New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

10.1 Appointment of nominee on behalf of Ineligible Foreign Shareholders

The Company has appointed Cygnet Securities Australia Pty Ltd (AFSL 241 095) (**Cygnet**) (**Nominee**) as nominee for the purposes of section 615 of the Corporations Act to sell Entitlements which would otherwise have been available to Ineligible Foreign Shareholders had they been eligible to participate in the Rights Issue.

If there is a viable market for Entitlements and a premium over the expenses of their sale can be made, the Nominee will arrange the sale of the Entitlements which would have been offered to the Ineligible Foreign Shareholders. The Nominee will arrange for the proceeds of sale of any Entitlements (if any), net of expenses, to be distributed to Ineligible Foreign Shareholders in proportion to their shareholding at the Record Date.

In the event that the Entitlements of Ineligible Foreign Shareholders cannot be sold or are otherwise allowed to lapse, any shares that could have potentially been issued pursuant to the Entitlements do not form part of the Shortfall Offer.

Neither the Company nor the Nominee will not be liable for the failure to sell the Entitlements or the failure to sell the Entitlements at any particular price. If there is no viable market for the Entitlements, the Entitlements of Ineligible Foreign Shareholders will be allowed to lapse. There is also no guarantee that any proceeds will be realised from the sale of Entitlements that would otherwise have been offered to Ineligible Foreign Shareholders.

11. Enquiries

If you have any queries or questions in relation to the details of the Offer or the Company in general, you should contact the Company Secretary on (03) 9692 7222.

Key Risks

1. Introduction

A number of risks and uncertainties, which are both specific to the Company and of a more general nature, may affect the future operating and financial performance of the Company and the value of the Company's shares. You should carefully consider the following risk factors, as well as the other information provided to you by the Company in connection with the Rights Issue, and consult your financial and legal advisers before deciding whether to invest in the New Shares.

The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that the Company is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the Company's operating and financial performance.

2. Overview of risks

An investment in Abilene Shares is subject to investment and other known and unknown risks, including possible loss of income and principal invested. The Company has implemented strategies, actions, systems and safeguards for known risks, however, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be less than the Offer Price.

In any event, the Company does not guarantee any particular rate of return, the performance of the Company, the payment of any dividends, the repayment of capital from the Company, any price for Shares or any particular tax treatment.

3. General risks

Investors should be aware that there are risks associated with any investment listed on ASX. There are various risks that may significantly impact the Company, its performance and the prices of its Shares.

The value of the Company's shares may rise above or fall below the Issue Price, depending on the financial condition and operating performance of the Company.

Further, the price at which the Company's shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of the Company and over which the Company and its directors have no control. These external factors include:

- global economic conditions;
- investor sentiment in the local and international stock markets;
- natural disasters;
- changes in fiscal, monetary, regulatory and other government policies; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

The Company's future dividend levels will be determined by the Board having regard to the operating results and financial position of the Company and there is no guarantee that any dividend will be paid or, if paid that they will be paid at previous levels.

Investors should note that the historic share price performance of shares in the Company provides no guidance as to its future share price performance.

3.1 Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

3.2 Operating risks

Business specific risks that may impact significantly on the Company, its performance and the price of its Shares include:

- the overall performance of management and the ability of senior management to manage business operations;
- the loss of one or more of the Company's key managers or executives;
- there is no assurance that funds expended by the Company on exploration activities at its USA projects will result in discoveries or development prospects that will be economically viable;
- the characteristics of the fields being explored and developed by the Company may be such as to prevent commercial exploitation;
- changes to government regulations, policy and royalty regimes may have adverse impacts upon the development options available to the Company at any of its projects;
- additional funding may be required for further exploration, appraisal and development, and there is no assurance that Abilene will be able to raise such funding;
- fluctuations in oil and gas prices may adversely impact on Abilene's exploration and future development;
- national and local environmental and heritage laws and regulations may impact adversely on exploration and future development at any one of its projects; and
- unexpected circumstances may arise at any time which may have adverse impacts on the Company's exploration and development activities.

The above risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of its Shares in the future.

3.3 Regulatory risk

The Company's operations are subject to a range of industry specific and general legal and other regulatory controls which may change over time. The Company is not in a position to foresee the impact that future regulation or changes in the interpretation or operations of existing regulation may have on its business. Such changes may have an adverse effect on the Company's business and financial performance.

3.4 Low liquidity

The Company's shares trade infrequently on ASX. This can increase the volatility of the market price of Shares in the Company.

3.5 Taxation implications

Future changes in taxation law in Australia and the United States, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in the Company's securities, or the holding or disposal of those securities.

Further, changes in taxation law, or to the way taxation law is interpreted in the various jurisdictions in which the Company operates, may impact the Company's future tax liabilities.

How to apply for New Shares

Please read carefully this Offer Booklet and other information made publicly available by Abilene Oil and Gas Limited.

1. What Eligible Shareholders may do

You should carefully consider how to deal with your Entitlements detailed in this Offer Booklet and then take action in accordance with the alternatives referred to below.

Eligible Shareholders may:

- (a) take up all of their Entitlements to New Shares (see section 2.1 below);
- (b) take up all of their Entitlements to New Shares and apply for New Shares under the Shortfall Offer (see section 2.2 below);
- (c) sell all of their Entitlements on ASX (see section 2.3 below);
- (d) take up a proportion of their Entitlements and attempt to sell the balance on ASX (see section 2.4 below);
- (e) take up a proportion of their Entitlements and allow the balance to lapse (see section 2.5 below);
- (f) sell all or a proportion of their Entitlements other than on ASX (see section 2.6 below); and
- (g) not take up any Entitlements and allow them to lapse (see section 2.7 below).

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Rights Issue or Shortfall Offer.

2. How Eligible Shareholders can accept the Offer

2.1 If you wish to take up all of your Entitlements to New Shares

If you decide to take up all your Entitlements under this Offer Booklet, you may:

- (a) complete and return the Entitlement and Acceptance Form with the requisite application monies (**Application Money**) by following the instructions set out on the Entitlement and Acceptance Form; or
- (b) complete a BPAY payment, in accordance with the instructions contained in section 3.1 of this Offer Booklet.

2.2 If you wish to take up all of your Entitlements to New Shares and apply for Additional Shares under the Shortfall Offer

If you decide to take up all your Entitlements under this Offer Booklet, you may:

- (a) complete and return the Entitlement and Acceptance Form with the Application Money by following the instructions set out on the Entitlement and Acceptance Form; or
- (b) complete a BPAY payment in accordance with the instructions contained in section 3.1 of this Offer Booklet.

2.3 If you wish to sell all or part of your Entitlements on ASX

Shareholders who do not wish to take up any of their Entitlements may be able to sell their Entitlements on ASX and recoup any value transfer.

If you wish to sell all of your Entitlements on ASX, provide instructions to your stockbroker regarding the Entitlements you wish to sell on ASX.

Trading of Entitlements will commence on 11 March 2015.

2.4 If you wish to take up a proportion of your Entitlements and attempt to sell the balance on ASX

If you decide to take up a part of your Entitlements under this Offer Booklet, you may:

- (a) complete and return the Entitlement and Acceptance Form with the Application Money by following the instructions set out on the Entitlement and Acceptance Form; or
- (b) complete a BPAY payment, in accordance with the instructions contained in section 3.1 of this Offer Booklet,

and in respect of the balance of your Entitlements that you wish to sell, you should provide instructions to your stockbroker regarding the Entitlements you wish to sell on ASX.

2.5 If you wish to take a proportion of your Entitlements and allow the balance to lapse

If you decide to take up a part of your Entitlements under this Offer Booklet, you may:

- (a) complete and return the Entitlement and Acceptance Form with the Application Money by following the instructions set out on the Entitlement and Acceptance Form; or
- (b) complete a BPAY payment, in accordance with the instructions contained in section 3.1 of this Offer Booklet.

In relation to the balance of your Entitlements you will allow to lapse, no further action is required on your part. Please note that Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements that lapse (for whatever reason).

2.6 If you wish to sell all or a proportion of your Entitlements other than on ASX

You may elect to transfer all or a proportion of your Entitlements to another person other than on ASX.

If the purchaser of your Entitlement is an Ineligible Foreign Shareholder or a person that would be an Ineligible Foreign Shareholder if they were a registered holder of Shares in the Company, that purchaser will not be able to take up the Entitlements they have purchased.

If you are a shareholder on the issuer sponsored sub-register and you wish to transfer all or a proportion of your Entitlements to another person other than on ASX, forward a completed standard renunciation and transfer form (this can be obtained from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Abilene Oil and Gas Ltd Rights Issue" and crossed "Not Negotiable" to the Share Registry (by post at any time after the issue of this Offer Booklet and on or before the Applications Closing Date) at the following address:

**Abilene Oil and Gas Limited Rights Issue
c/- Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067**

If you wish to transfer all or a proportion of your Entitlement to another person on the Clearing House Electronic Sub-register System (**CHESS**) you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants you to exercise some or all of the Entitlement, you should follow your CHESS controlling participant's instructions as to the most appropriate way to take up the Entitlements on their behalf. The requisite application monies must be received by the Share Registry in accordance with the methods set out Part 3 of this section of the Offer Booklet.

2.7 If you wish to not take up any Entitlements and allow them to lapse

If you do not wish to take up any of your Entitlements and intend to allow your Entitlements to lapse, you are not obliged to do anything and no further action is required on your part.

If you do not take up, or dispose of, your Entitlements before the Applications Closing Date, the offer to you will lapse. Please note that Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements that lapse (for whatever reason).

3. Methods of acceptance under the Rights Issue and Shortfall Offer

The method of acceptance of the Rights Issue and Shortfall Offer will depend on your method of payment being:

- BPAY; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have represented that you are an Eligible Shareholder.

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in respect of New Shares. Amounts received by the Company in excess of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many New Shares as your Excess Amount will pay for in full.

3.1 Payment by BPAY

For payment by BPAY please follow the instructions on the Entitlement and Acceptance Form and Shortfall application Form (as applicable) (which includes the Biller Code and your unique CRN). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

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

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (Melbourne time) on Thursday, 26 March 2015 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

If you wish to apply for New Shares you must submit the Entitlement and Acceptance Form together with the relevant Application Money.

Any application monies received for more than your final allocation of New Shares will be refunded on or around 7 April 2015. No interest will be paid on any application monies received or refunded.

3.2 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on those forms and return the forms accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to '**Abilene Oil and Gas Limited**' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.01 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form. Alternatively, your application will not be accepted.

Any application monies received for more than your final allocation of New Shares will be refunded on or around 7 April 2015. No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

3.3 Mail

It is important to note that the Rights Issue and Shortfall Offer closes at 5.00pm (Melbourne time) on Thursday, 26 March 2015 (subject to variation). To participate in the Rights Issue and Shortfall Offer, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Money or mail to:


Abilene Oil and Gas Limited Rights Issue
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

Glossary

Term	Definition
Applicant	an Eligible Shareholder who submits an application for New Shares on the conditions set out in this Offer Booklet.
Application	an application for a specified number of New Shares by an Applicant under this Offer Booklet.
Application and Entitlement Form	the personalised form for participation in the Entitlement Offer attached to or accompanying this Offer Booklet.
Applications Closing Date	the date on which the Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on Thursday, 26 March 2015.
Application Money	monies received from persons subscribing for New Shares pursuant to the terms of the Rights Issue or Shortfall Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
ASX Listing Rules	the listing rules of ASX.
Board	the Directors acting as a board of the Company.
Business Day	a day on which both ASX and major Australian banks are open for trading in Melbourne.
Company	Abilene Oil and Gas Limited ACN 000 752 849.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Cygnet	Cygnet Securities Australia Pty Ltd ACN 082 117 931 (AFSL 241 095).
Directors	the directors of the Company.
Eligible Shareholder	as defined in Section 2 of the 'Details of the Offer' section of this Offer Booklet.
Entitlement	the entitlement of an Eligible Shareholder to take up a certain number of New Shares pursuant to the Rights Issue based on the number of Existing Shares held on the Record Date.
Rights Issue	the renounceable offer to Eligible Shareholders as at the Record Date to subscribe for 4 New Shares for every 1 Share at \$0.01 per New Share.
Excess Amount	any money in excess of the full amount of Application Money for an Eligible Shareholder's whole Entitlement and New Shares applied for in accordance with the terms in the Offer Booklet.
Existing Shares	means the Shares on issue at the Record Date, being 73,223,295 fully paid Shares in the Company.

Term	Definition
GST	Good and Services Tax.
Issue Price	the price payable for one New Share under this Offer Booklet, being \$0.01.
MAP Entities	MAP Capital Pty Ltd and Salter Brothers Private Pty Ltd.
New Share	a Share offered and issued under this Offer Booklet, the terms and conditions of which are set out in this Offer Booklet.
Ineligible Foreign Shareholder	a Shareholder with an address in the Company's share register outside Australia or New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Offer	the offer comprising the Rights Issue and the Shortfall Offer as detailed in this Offer Booklet.
Offer Booklet	this document dated 6 March 2015.
Offer Period	the period commencing 17 March 2015 and ending at 5.00pm (Melbourne time) on Thursday, 26 March 2015 (or any other date as may be determined by the Company).
Opening Date	17 March 2015.
Record Date	7.00pm (Melbourne time) on 13 March 2015.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited ABN 70 005 485 825.
Shareholder	a holder of at least one Share as recorded on the Company's share register.
Shortfall Offer	the offer to Eligible Shareholders that have taken up all of their Entitlements under the Rights Issue to subscribe New Shares at \$0.01 per New Share.
Underwriter	each of Holdrey Pty Ltd and Salter Brothers Private Pty Ltd, together the Underwriters .
Underwriting Agreement	as defined in Section 3.1 of the 'Details of the Offer' section of this Offer Booklet.

For all enquiries:

Phone:
 Abilene Oil and Gas Limited +61 3 9692 7222

Web:
 www.investorcentre.com/contact

000001 000 ABL

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Melbourne Time) Thursday 26 March 2015**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between 11 March 2015 and 19 March 2015. Please refer to the Offer Document for details on how to renounce your rights.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 6 March 2015.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Abilene Oil and Gas Limited"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Sale of your Entitlement rights in full by your Stockbroker/ Agent

If you wish to sell your rights entitlement in full, you should instruct your Stockbroker personally and provide details as requested, which appear overleaf.

DO NOT forward your requests for sale to Computershare Investor Services Pty Limited.

Disposal of your Entitlement rights held on the Issuer sponsored sub-register

A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from your Stockbroker or Computershare Investor Services Pty Limited.

Sale of your Entitlement rights in part by your Stockbroker/ Agent and take up the balance

If you wish to sell part of your Entitlement rights and take up the balance you should:

- Instruct your Stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Send the payment slip to Computershare Investor Services Pty Limited with your cheque, bank draft or money order payment **OR** make payment using BPAY, in order to take up the balance of your Entitlement rights.

Entitlement and Acceptance Form with Additional New Shares

X 9999999991 I ND

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
13 March 2015:

Entitlement to New Shares
on a 4 for 1 basis:

Amount payable on full acceptance
at \$0.01 per New Share:

4,000
1
\$0.01

STEP 2 Make Your Payment

B
PAY

Billers Code: 999999
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your
payment from your cheque or savings account.

Pay by Mail:
✉ Make your cheque, bank draft or money order payable to "Abilene Oil and Gas
Limited" and cross "Not Negotiable".
Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance
If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received
by no later than 5:00pm (Melbourne Time) Thursday 26 March 2015. Applicants should be aware that their own financial institution may implement earlier cut off
times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty
Limited (CIS) nor Abilene Oil and Gas Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of
the applicant to ensure that funds submitted through BPAY are received by this time.
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (Melbourne Time) Thursday 26
March 2015. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will
need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Abilene Oil and Gas Limited accepts any
responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the
issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition,
the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive
marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal
information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies
corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we
maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise
required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the
Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and
information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy
at <http://www.computershare.com/au>.

Detach here

Abilene Oil and Gas Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New
Shares applied for:

Amount enclosed at \$0.01 per
New Share: A\$



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (Melbourne Time) Thursday 26 March 2015

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>