

# **BURLESON ENERGY LIMITED**

## **ACN 117 770 475**

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### **ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise up to \$1,052,222 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). Refer to Sections 1.5 and 3.17 for details regarding the terms of the Underwriting Agreement.

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## **IMPORTANT NOTICE**

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This Prospectus is dated 18 September 2015 and was lodged with the ASIC on that date. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" and "your" refer to Shareholders.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares and New Options will be made to ASX within 7 days after the date of this Prospectus.

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

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

### **Restrictions on distribution**

This Offer is made in Australia and New Zealand only. This Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

Applications for Securities under the Offer can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form enclosed with or accompanying this Prospectus.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus.

A copy of this Prospectus can be downloaded from the Company's website at [www.burlesonenergyld.com](http://www.burlesonenergyld.com). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

## **Rights trading**

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Rights in accordance with the instructions in Section 3.2 of this Prospectus.

Individual applicants are responsible for determining their allocations of Rights and Shares before trading in them. Eligible Shareholders who trade in Rights or Shares before receiving confirmation of their application do so at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits.

## **Forward-looking statements**

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

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

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## CORPORATE DIRECTORY

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### Directors

Mr Michael Sandy (Executive Chairman,  
Managing Director)

Dr Andrew Kugler, Jr (Non Exec Director)

Mr Alexander Sundich (Executive Director,  
Chief Financial Officer)

### Registered Office

Level 6, 9 Barrack Street  
Sydney NSW 2000

Telephone: + 61 2 8252 6177

Facsimile: +61 2 8252 6178

Email: [info@burlesonenergy ltd.com](mailto:info@burlesonenergy ltd.com)

Website: [www.burlesonenergy ltd.com](http://www.burlesonenergy ltd.com)

### Company Secretary

Mr Alexander Sundich

**ASX Code:** BUR

### Share Registry\*

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

Telephone: 1300 737 760 (in Australia)

Telephone: +61 2 9290 9600 (international)

Facsimile: 1300 653 459

Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

### Solicitors

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

### Auditor\*

Rothsay Chartered Accountants  
Level 1, 12 O'Connell Street  
Sydney NSW 2000

### Underwriter

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

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

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## CHAIRMAN'S LETTER

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Dear Shareholder

On 16 September 2015, the Company announced its intention to conduct a fully underwritten, renounceable rights issue Offer of one (1) new Share for every one (1) Share held by Shareholders at an issue price of \$0.002 per Share to raise approximately \$1,052,000 before costs.

On behalf of Burleson Energy Limited, I am pleased to invite you to participate in the Offer.

The Offer is fully underwritten by Patersons Securities Limited.

This Prospectus contains important information about the Offer, including:

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

A personalised Entitlement and Acceptance Form which details your Entitlement is to be completed in accordance with the instructions provided.

You should read this Prospectus carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors included in Section 4 of this Prospectus.

Shareholders who have any queries about the Offer should contact the Company at any time from 8:30am to 5:00pm (Sydney time) during the Offer period.

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

In conjunction with the Offer, the Company announced on 16 September that it had completed a placement of new shares to sophisticated investors raising ~\$210,000 (before costs) through the issue of 105,222,285 Shares at an issue price of \$0.002 per Share, utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Company also announced its intention to consider an additional placement of circa 50 million shares subsequent to the Rights Issue to raise an additional \$100,000 if the Rights Issue is well supported. This subsequent placement would be made under the Company's increased placement capacity under ASX Listing Rule 7.1.

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

Yours faithfully,

**Michael Sandy**  
**Chairman**

18 September 2015

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## 1. INVESTMENT OVERVIEW

### 1.1 The Offer

The Company is offering to issue Shares to Eligible Shareholders by a pro-rata renounceable Rights Issue.

Under the Rights Issue, Eligible Shareholders may subscribe for one (1) Share for every one (1) Share held by those Shareholders on the Record Date.

Further detail regarding the Offer is contained in Section 2.

### 1.2 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

A summary of key risk factors is set out below.

Risk	Description	Reference in Prospectus
<b>Potential for significant dilutions</b>	Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 526,111,441 currently on issue to 1,052,222,882. This means that each Share will represent a significantly lower proportion of the ownership of the Company.  It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.	4.2(a)
<b>Foreign Exchange Risk</b>	The Company's main business undertakings are based in the United States. However, the Company presents its accounts in Australian dollars. This results in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the price of oil and gas and the exchange rates, as determined in international markets.	4.2(b)
<b>Contractual Risk</b>	Where registered holders of the Company's projects fail to comply with conditions of those projects which results in loss of title, the Company would lose its interest in such projects. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly	4.2(c)

Risk	Description	Reference in Prospectus
	and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.	
<b>Oil and Gas Volatility</b>	The demand for, and price of, oil and gas is dependent on a variety of factors including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic political developments.	4.3(a)
<b>Oil and Gas Operations in the US</b>	<p>The system for obtaining title to oil and gas leases in Texas is complex, given that numerous parties may hold the undivided mineral rights to a particular tract of land. Obtaining detailed title opinions from appropriately qualified and experienced lawyers can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications. It is therefore customary that such title opinions are not sought until the Company proposes to conduct a drilling operation and/or expend significant amounts of money on a particular lease.</p> <p>As a consequence there may be third parties that hold or claim mineral rights in relation to certain properties in which the Company may have an interest, which have not previously been identified.</p>	4.3(b)
<b>Regulation in the US – General</b>	<p>The oil and gas industry in the United States is extensively regulated. Extensive federal, state, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of oil and gas will affect the Company's operations. From time to time, regulatory agencies have imposed price controls and limitations on production.</p> <p>If the Company fails to comply with environmental laws it may be subject to liabilities to the government and third parties, including civil and criminal penalties. New laws or regulations, or modifications of or new interpretations of existing laws and regulations, may increase substantially the cost of compliance or adversely affect oil and gas operations and financial conditions.</p>	4.3(c)
<b>Regulation in the US – Sale of Gas</b>	Most sales of natural gas are not currently regulated and are generally made at market prices. The price received from the sale of these products is affected by the cost of transporting the products to market.	4.3(d)



Risk	Description	Reference in Prospectus
<b>Regulation in the US – Exploration and Production</b>	<p>Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws.</p> <p>The Company is required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.</p>	4.3(e)
<b>Exploration and Development Risks</b>	There is no assurance that exploration and development of the prospects in the properties in which the Company may have an interest, or any other projects that may be acquired in the future, will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.	4.3(f)
<b>Drilling and Operating Risks</b>	Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of such risks. Hazard incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, or other factors are inherent in drilling and operating wells and may be encountered by the Company.	4.3(g)
<b>Ability to exploit successful discoveries</b>	It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities.	4.3(h)
<b>Hydrocarbon Reserve Estimates</b>	Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new	4.3(i)

Risk	Description	Reference in Prospectus
	information becomes available. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations.	
<b>Capital intensive business risk</b>	The drilling of wells to discover whether there is oil or gas is a highly capital intensive business and will require the Company to raise capital in the future. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.	4.3(j)

### 1.3 Directors interests in securities

#### *Security holdings*

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Mr Michael Sandy	7,385,188	2,500,000	7,385,188	\$14,770
Dr Andrew Kugler Jr	4,523,333	2,500,000	4,523,333	\$9,046
Mr Alexander Sundich <sup>1</sup>	13,000,000	2,500,000	13,000,000	\$26,000

**Note 1:** Pine Street Pty Limited AFT Pine Street Superannuation Fund, a superannuation fund associated with Mr Sundich, has agreed to sub-underwrite 25 million Shortfall Shares (being \$50,000 worth of Shares). Refer to Section 3.17(b) for details.

See also Section 6.4 for further information regarding the Interests of Directors in connection with the Offer.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

### 1.4 Substantial holders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

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

### **1.5 Underwriting Agreement**

The Offer is underwritten by Patersons Securities Limited (**Underwriter**) who have agreed to fully underwrite the Offer for 526,111,441 Shares (**Underwritten Securities**), being up to the full amount of \$1,052,222.

The Company has agreed to pay the Underwriter the following fees for its services:

- (a) a management fee of \$27,500 upon completion of the Offer; and
- (b) an underwriting fee of 6% of the value of the Underwritten Securities.

The Company will also reimburse the Underwriter for all reasonable costs and expenses incidental to the Offer. The Company has agreed to appoint a nominee of the Underwriter to the Board on completion of the Offer.

Refer to Section 3.17(a) for a summary of the material terms of the Underwriting Agreement.

### **1.6 Lead Broker and Corporate Advisory Mandate**

The Company has appointed Patersons to act as lead manager to the Offer and corporate advisor to the Company pursuant to a mandate agreement dated 10 September 2015 (**Mandate**). Under the Mandate, the Company will pay a corporate advisory fee of \$4,500 per month.

### **1.7 Nominee for foreign holders**

The Underwriter has been appointed as the Company's nominee for foreign shareholders for the purposes of ASX Listing Rule 7.7 for those foreign shareholders who have been deemed ineligible to participate under the Offer (**Nominee**).

Pursuant to the arrangement with the Nominee, the Company will transfer to the Nominee the rights that would otherwise be issued to the foreign holders who either accept the offer or are otherwise entitled to acquire such rights under the Offer and the Nominee will then sell those rights and provide the proceeds of those sales (net of expenses) to the Company (or its Share Register). The Company will then distribute to each of those foreign holders their proportion of the proceeds of the sale net of expenses.

The Company will pay the Nominee a brokerage fee of 1.5% on the total gross dollar value of all securities sold or \$1,500 plus applicable GST, whatever is the greater.

## 1.8 Expenses of the offer

In the event that all Entitlements are accepted, the total cash expenses of the Offer are estimated to be approximately \$125,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,320
ASX fees	5,052
Underwriting fees (includes management fee and underwriting fee)	90,633
Legal fees	15,000
Printing and distribution	10,000
Miscellaneous	2,000
<b>Total</b>	<b>125,005</b>

## 1.9 Offer Timetable

Lodgement of Prospectus with the ASIC	Friday, 18 September 2015
Lodgement of Prospectus & Appendix 3B with ASX	Friday, 18 September 2015
Notice sent to Optionholders	Friday, 18 September 2015
Notice sent to Shareholders	Tuesday, 22 September 2015
Ex date	Wednesday, 23 September 2015
Rights start trading on a deferred settlement basis	Wednesday, 23 September 2015
Record Date for determining Entitlements	7.00pm (AEDT) on Friday, 25 September 2015
Prospectus sent out to Shareholders & Company announces this has been completed	Wednesday, 30 September 2015
Rights stop trading	Friday, 2 October 2015
Shares quoted on a deferred settlement basis	Tuesday, 6 October 2015
Last day to extend the Offer Closing Date	Wednesday, 7 October 2015
Closing Date*	5.00pm (AEDT) on Monday, 12 October 2015
ASX notified of under subscriptions	Thursday, 15 October 2015
Issue date/deferred settlement trading ends. Shares entered into Shareholders' security holdings	Monday, 19 October 2015
Normal T+3 trading of Shares starts *	Tuesday, 20 October 2015

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

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## **2. PURPOSE AND EFFECT OF THE OFFER**

### **2.1 Purpose of the Offer**

The purpose of the Offer is to raise up to \$1,052,222 before costs of the Offer.

The funds raised from the Offer are planned to be used to increase working capital which will enable the Company to maintain its existing oil and gas assets in good standing and to pursue new projects and corporate opportunities. The planned use of proceeds are in accordance with the table set out below:

<b>Item</b>	<b>Proceeds of the Offer</b>	<b>Full Subscription (\$)</b>	<b>%</b>
1.	Evaluation of new projects	500,000	47.5%
2.	Maintenance of existing assets	300,000	28.5%
3.	Expenses of the Offer <sup>1</sup>	125,005	11.9%
4.	Working capital	127,217	12.1%
	<b>Total</b>	<b>\$1,052,222</b>	<b>100.0%</b>

**Notes:**

1. Refer to section 1.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

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

### **2.2 Effect of the Offer**

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

- (a) increase the cash reserves by \$927,217 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 526,111,441 as at the date of this Prospectus to 1,052,222,882 Shares.

### **2.3 Effect on capital structure**

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

## Shares

	Number
Shares currently on issue (including the issue of Tranche 1)	526,111,441
Shares offered pursuant to the Offer	526,111,441
<b>Total Shares on issue after completion of the Offer</b>	<b>1,052,222,882</b>

## Options

	Number
Options currently on issue:	
(Unquoted exercisable at \$0.08 on or before 5 December 2015)	18,500,000
(Unquoted exercisable at \$0.03 on or before 1 December 2016)	4,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>22,500,000</b>

### Note:

1. As announced on 16 September 2015, subject to the successful close of the Rights Issue, the Company may consider an additional placement of circa 50 million new Shares at an issue price of \$0.002 to sophisticated investors to raise approximately \$100,000.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 548,611,441 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be approximately 1,074,722,882 Shares.

## 2.4 Pro forma Statement of financial position

Set out below is an unaudited pro-forma consolidated historical statement of financial position of the Company and its subsidiaries (the "Consolidated Entity") as at 30 June 2015 (the **Pro-Forma Historical Statement of Financial Position**) which has been prepared by the management of the Company for illustrative purposes only to show the effect of the Offer on the Consolidated Entity's financial position. The Pro-Forma Historical Statement of Financial Position has not been audited or reviewed by an auditor.

The Pro-Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being indicative of the Company's view of the future financial position of the Consolidated Entity and will not necessarily reflect the actual position and balances as at the date on which New Shares and New Options are issued under the Offer.

### (a) Basis of preparation

The basis on which the Pro-Forma Historical Statement of Financial Position has been compiled is set out below:

- (i) All financial information contained in the Pro-Forma Historical Statement of Financial Position has been prepared in accordance with the measurement and recognition principles under the Australian equivalents to International Financial Reporting Standards (**AIFRS**) (unless otherwise noted) although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act. The

Pro-Forma Historical Statement of Financial Position has not been audited or reviewed by an auditor.

- (ii) The Pro-Forma Historical Statement of Financial Position is presented in Section 2.4(c) to illustrate the scenario where it is assumed that Shareholders will subscribe for Shares up to a maximum amount of approximately \$1.1 million (before costs).
- (iii) The Pro-Forma Historical Statement of Financial Position is not intended to be indicative of the financial position that would actually have occurred, or the financial position expected in future periods, had events reflected herein occurred on the dates indicated. The Company is required to account for the Offer based on values at the time the Offer is completed. Therefore actual amounts recorded by the Company upon completion of the transaction will differ from those recorded in the Pro-Forma Historical Statement of Financial Position.
- (iv) The Pro-Forma Historical Statement of Financial Position should be read in conjunction with the half year financial report of the Company as at 30 December 2014, released to the ASX on 16 March 2015 and the 2014 audited full year financial statements released to the ASX on 30 September 2014.

(b) **Assumptions**

The following assumptions have been made by the Company in the preparation of the Pro-Forma Historical Statement of Financial Position:

- (i) The Pro-Forma Historical Statement of Financial Position set out below has been prepared on the basis and assumption that there were no material movements in the assets and liabilities of the Consolidated Entity between 30 June 2015 and the date of this Prospectus that should have been reflected in the audited historical statement of financial position at 30 June 2015, other than the transactions referred to (ii) below;
- (ii) The Company completed a placement of Shares to sophisticated investors on 16 September 2015 and raised \$210,444 through the issue of 105,222,285 Shares at an issue price of \$0.002 per Share. Total costs expected to be incurred in relation to the placement is \$12,627. The impact of the capital raised and issue costs in relation to the placement is reflected in the Adjusted Historical Statement of Financial Position as at 30 June 2015 presented below.
- (iii) The Company will undertake and complete the Offer, being a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise a maximum of \$1,052,222 (before costs);
- (iv) Total costs expected to be incurred in relation to the Offer of \$125,005 are recognised directly against contributed equity;
- (v) The impact of the capital raised in the Offer and expected issue costs in relation to the Offer is reflected in the Proforma

Historical Statement of Financial Position as at 30 June 2015 presented below.

(c) **Pro-Forma Historical Statement of Financial Position**

The Pro-Forma Historical Statement of Financial Position is set out below.

	Unaudited Historical Statement of Financial Position as at 30 June 2015 <sup>(1)</sup>	Adjusted Historical Statement of Financial Position as at 30 June 2015 <sup>(2)</sup>	Pro-Forma Historical Statement of Financial Position as at 30 June 2015 <sup>(3)</sup>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	412,247	610,065	1,537,283
Trade and other receivables	228,961	228,961	228,961
<b>TOTAL CURRENT ASSETS</b>	<b>641,208</b>	<b>839,026</b>	<b>1,766,244</b>
<b>TOTAL ASSETS</b>	<b>641,208</b>	<b>839,026</b>	<b>1,766,244</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	81,542	81,542	81,542
<b>TOTAL CURRENT LIABILITIES</b>	<b>81,542</b>	<b>81,542</b>	<b>81,542</b>
<b>TOTAL LIABILITIES</b>	<b>81,542</b>	<b>81,542</b>	<b>81,542</b>
<b>NET ASSETS</b>	<b>559,666</b>	<b>757,484</b>	<b>1,684,702</b>
<b>EQUITY</b>			
Contributed equity	30,245,527	30,443,345	31,370,563
Reserves	3,557,283	3,557,283	3,557,283
Accumulated losses	(33,243,144)	(33,243,144)	(33,243,144)
<b>TOTAL EQUITY</b>	<b>559,666</b>	<b>757,484</b>	<b>1,684,702</b>

**Notes:**

1. Actual Statement of Financial Position as at 30 June 2015 based on unaudited management accounts.
2. Actual Statement of Financial Position as at 30 June 2015 adjusted for the placement of shares announced on 16 September 2015, less the costs of the issues.
3. Adjusted Statement of Financial Position as at 30 June 2015 proforma for the capital raised in the Offer and expected costs of the Offer.

## 2.5 Financial forecasts

The Company has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast information. The Company has concluded that, as at the date of this Prospectus, a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by the law, policy and market practice.

The financial performance of the Company in any period will be influenced by various factors that are outside the control of the Directors and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of the Company may be materially affected by world gold prices, grades of ore processed and recovered and exchange rates.



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### **3. DETAILS OF THE OFFER**

#### **3.1 The Offer**

The Offer is being made as a renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 526,111,441 Shares will be issued pursuant to this Offer to raise approximately \$1,052,222.

As at the date of this Prospectus the Company has 22,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 2.3 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 4 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 2.1 of this Prospectus.

#### **3.2 What Eligible Shareholders may do**

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 3.3);
- (b) sell all of their Entitlement on ASX (refer to section 3.4);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 3.5);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 3.6);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to section 3.7); or
- (f) allow all or part of their Entitlement lapse (refer to section 3.8).

#### **3.3 Taking up all of your Entitlement**

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Unless you are paying by BPAY®, please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "**Not Negotiable**" and made payable to "**Burleson Energy Limited Issue Account**" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by delivery or by post) at:

By delivery      Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

By Post          Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 3.9.

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 4pm (AEDT) on the Closing Date.

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

### **3.4 Selling all your Entitlement on ASX**

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 23 September 2015 and will cease on 2 October 2015.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

### **3.5 Taking up a proportion of your Entitlement and selling the balance on ASX**

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you

wish to take up and follow the steps in section 3.3, or make a payment by BPAY® in accordance with section 3.11.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

### **3.6 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 3.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

### **3.7 Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "**Burleson Energy Limited Issue Account**" and crossed "**Not Negotiable**" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

By delivery	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
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By Post	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
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If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 3.3.

### **3.8 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

### 3.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

### 3.10 Payment by cheque/bank draft

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

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm AEDT on the Closing Date.

### 3.11 Payment by BPAY®

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

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

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

### 3.12 Minimum subscription

The Offer is fully underwritten and so the minimum Subscription is equal to the full subscription. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

### **3.13 Shortfall Offer**

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

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer.

The Shortfall will be allocated to the sub-underwriters on a pro-rata basis according to the amount originally sub-underwritten by each sub-underwriter.

The Directors and the Underwriter reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, do not apply for Shortfall Shares unless instructed to do so.

### **3.14 Additional Placement**

As announced on 16 September 2015, subject to the successful close of the Rights Issue, the Company may consider an additional placement of circa 50 million new Shares at an issue price of \$0.002 to sophisticated investors to raise approximately \$100,000. Should the Company receive the support of its shareholders, the Company will engage in further discussions immediately after the Offer under this Prospectus is completed. Any new Shares issued as a result of these subsequent discussions will be issued under the Company's 15% placement capacity after completion of the Offer.

### **3.15 Quotation and Issue**

#### **(a) ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **(b) Issue**

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

Shares issued pursuant to the Shortfall Offer will be issued 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 Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust

for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

**(c) Holding statements**

The Company participates in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of Shares issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

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

**3.16 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Patersons Securities Limited, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **3.17 Underwriting and effect on control of the Company and potential dilution to Shareholders**

The Offer is fully underwritten by the Underwriter.

#### **(a) The Underwriting Agreement**

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer for 526,111,441 Shares (**Underwritten Securities**).

The Company has agreed to:

- (i) pay the Underwriter a management fee of \$27,500 upon completion of the Offer; and
- (ii) pay an **underwriting** fee of 6% of the value of the Underwritten Securities.

The obligation of the Underwriter to underwrite the Offer is subject to standard events of termination including if:

- (i) **(Indices fall)**: any of the S&P/ASX 200 Index or the S&P/ASX 200 Energy Index as published by ASX is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or
- (ii) **(Share Price)**: the Shares of the Company finish trading on the ASX under the ASX code of "BUR" with a closing price that is less than the Price.

The Underwriting Agreement contains a moratorium on industry standard terms restricting the Company and any subsidiary from doing certain things without the prior written consent of the Underwriter for a period of three months from the date of the Underwriting Agreement, such as altering its capital structure, altering its constitution or dispose or agree to dispose of the whole or a substantial part of its business or property.

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

(b) **Sub-Underwriting Arrangements**

The Underwriter has entered into a sub-underwriting arrangements with twelve sub-underwriters. Those sub-underwriters are:

- (i) third parties who do not currently have any interest in the Company and three existing shareholders (**Unrelated Sub-underwriters**); and
- (ii) Pine Street Pty Limited ATF Pine Street Superannuation Fund, a superannuation fund controlled by Mr Alexander Sundich, a Director (**Related Party Sub-underwriter**).

The process for the allocation of the Shortfall between the sub-underwriters is set out in Section 3.13.

(c) **Effect on control of the Company and potential dilution to Shareholders**

If the Related Party Sub-underwriter is required to subscribe for its full sub-underwriting commitment of 25,000,000 Shares under the Shortfall, it and its associates will hold a total of 51,000,000 Shares, being a 4.84% interest (based on the capital structure of the Company following completion of the Offer on an undiluted basis and includes Mr Sundich taking up his Entitlement). The voting power of the Related Party Sub-underwriter will reduce by a corresponding amount to the Entitlements under the Offer taken up by the other shareholders.

Notwithstanding that the Offer is fully sub-underwritten, the table below sets out:

- (i) the number of Shares that may be acquired by the Underwriter, where the Sub-Underwriters fail to take up their sub-underwriting commitments; and
- (ii) the Underwriter's voting power and the potential effect of the underwriting under the Offer.

The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other shareholders.

The Underwriter's relevant interest and changes under several scenarios are set out in the table below:

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	Nil
Completion of Entitlement Issue		
• Fully subscribed	Nil	Nil
• 75% subscribed	131,527,860	12.5%
• 50% subscribed	263,055,721	25%
• 25% subscribed	394,583,581	37.5%



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 are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.90%	10,000,000	10,000,000	0.95%
Shareholder 2	5,000,000	0.95%	5,000,000	5,000,000	0.48%
Shareholder 3	1,500,000	0.29%	1,500,000	1,500,000	0.14%
Shareholder 4	400,000	0.08%	400,000	400,000	0.04%
Shareholder 5	50,000	0.01%	50,000	50,000	0.005%
Total	526,111,441		526,111,441	1,052,222,882	

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders 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.

### 3.18 Enquiries

Any questions concerning the Offer should be directed to Alexander Sundich, Company Secretary, on +61 2 8252 6177.

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## **4. RISK FACTORS**

### **4.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

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

### **4.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 526,111,441 currently on issue to 1,052,222,882. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last closing price of Shares on ASX prior to the prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after implementation of the Proposed Transaction.

#### **(b) Foreign Exchange Risk**

The Company's main business undertakings are based in the United States. As a result, revenues, cash flows, expenses, capital expenditure and commitments will be primarily denominated in United States dollars.

However, the Company presents its accounts in Australian dollars. This results in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the price of oil and gas and the exchange rates, as determined in international markets.

#### **(c) Contractual risk**

In order for the Company to be able to achieve its objectives in respect of its oil and gas projects, the Company is reliant on the registered holder of such projects complying with its contractual obligations with respect to maintaining the projects in full force and effect, free from any liability to forfeiture or non-renewal.

Where the registered holder of the projects fails to comply with conditions of those projects which results in loss of title, the Company would lose its interest in such projects. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

#### **4.3 Industry specific**

##### **(a) Oil and Gas Price Volatility**

The demand for, and price of, oil and gas is dependent on a variety of factors including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic political developments.

##### **(b) Oil and Gas Operations in the United States**

The system for obtaining title to oil and gas leases in Texas is complex given that numerous parties may hold the undivided mineral rights to a particular tract of land. In order to independently verify that the parties with whom the Company is dealing are correct and sole holders of the mineral rights and to analyse the full rights and restrictions applying to the interest held by those parties requires that a company obtain a detailed title opinion from appropriately qualified and experienced lawyers. This can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications. It is therefore customary that such title opinions are not sought until the Company proposes to conduct a drilling operation and/or expend significant amounts of money on a particular lease.

As a consequence there may be third parties that hold or claim mineral rights in relation to certain properties in which the Company may have an interest, which have not previously been identified.

Further, some of the leases in which the Company has an interest may have a fixed term and be subject to applications for renewal. The renewal term of each permit or licence is usually at the discretion of the relevant lessor.

##### **(c) Regulation in the United States – General**

The oil and gas industry in the United States is extensively regulated. Extensive federal, state, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of oil and gas will affect the Company's operations. From time to time, regulatory agencies have imposed price controls and limitations on production.

Numerous environmental laws impact and influence the Company's operations. As with the industry in general, compliance with existing and anticipated regulations increases the overall costs of business. Environmental regulations have historically been subject to frequent change and, therefore, one cannot predict with certainty the future costs or other future impacts on environmental regulations on future operations. If the Company fails to comply with environmental laws it may be subject to liabilities to the government and third parties,

including civil and criminal penalties. New laws or regulations, or modifications of or new interpretations of existing laws and regulations, may increase substantially the cost of compliance or adversely affect oil and gas operations and financial conditions.

(d) **Regulations in the United States - Sale of Gas**

Most sales of natural gas are not currently regulated and are generally made at market prices. The price received from the sale of these products is affected by the cost of transporting the products to market.

(e) **Regulation in the United States - Exploration and Production**

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

Permits are required by the State of Texas for drilling operations, drilling bonds and the filing of reports concerning operations and they impose other requirements relating to the exploration and production of oil and gas.

The Company is required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

(f) **Exploration and Development Risks**

There is no assurance that exploration and development of the prospects in the properties in which the Company may have an interest, or any other projects that may be acquired in the future, will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

(g) **Drilling and Operating Risks**

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of such risks. Hazard incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards, the occurrence of any of which could result in substantial losses to the Company. Although the Company believes that it or the operator will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's or the

operator's insurance may not cover or be adequate to cover the consequences of such events. In addition, the Company may be subject to liability for pollution, blow-outs or other hazards against which the Company or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(h) **Ability to Exploit Successful Discoveries**

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

(i) **Hydrocarbon Reserve Estimates**

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

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations.

(j) **Capital intensive business risk**

The drilling of wells to discover whether there is oil or gas is a highly capital intensive business and will require the Company to raise capital in the future. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

#### **4.4 General risks**

(a) **Economic**

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.

(b) **Market conditions**

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

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

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

(c) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the Company's management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(d) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

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

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

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

**4.5 Speculative investment**

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

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

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## **5. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **5.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **5.2 Voting rights**

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

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

### **5.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.



Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan or an interest reinvestment plan (as the case may be) for cash dividends paid by the Company in respect of shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for shares in the Company and a dividend re-election plan permitting holders of shares to the extent that his shares are fully paid up, to have the option to elect to forego his right to share in any dividends (whether interim or otherwise) payable in respect of such shares and to receive instead an issue of shares credited as fully paid up to the extent as determined by the Directors.

#### **5.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **5.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **5.6 Transfer of shares**

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

#### **5.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **5.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution

passed at a separate meeting of the holders of the shares of that class.

## **5.9 Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

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

### **6.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

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

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

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

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

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

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
16/09/2015	Reinstatement to Official Quotation
16/09/2015	Capital Raising & Rights Issue
15/09/2015	BUR Voluntary suspension 15 Sept 2015
15/09/2015	Suspension from Official Quotation
11/09/2015	Trading Halt
31/07/2015	BUR Qtrly Activities Report June 2015
31/07/2015	BUR Cash Quarterly App5b June 2015
15/05/2015	Change of registry address
29/04/2015	BUR Activities and CashFlow Report 31March2015
27/03/2015	BUR Late Notice of Meeting AGM 18Nov2014
16/03/2015	BUR Half Year Accounts 31 December2014
30/01/2015	BUR Quarterly Activities Report 31Dec2014
30/01/2015	BUR Quarterly Cashflow December 2014
20/01/2015	BUR Truchard3 Well Update
07/01/2015	BUR Truchard3 Well Update
23/12/2014	BUR Truchard3 Frac Report Update
04/12/2014	BUR Truchard3 Fracture Update
28/11/2014	BUR Drilling Update Truchard 3
18/11/2014	BUR AGM Results of Meeting 18 November 2014
31/10/2014	BUR Quarterly Activities and Cashflow Report Sept2014
22/10/2014	BUR Truchard3 Update
01/10/2014	BUR Truchard3 Update
30/09/2014	BUR Annual Report June 2014

ASX maintains files containing publicly available information for all listed

companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.burlesonenergy ltd.com](http://www.burlesonenergy ltd.com).

### **6.3 Market price of shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

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

Highest	\$0.003	1 September 2015 – 7 September 2015 & 17 September 2015
Lowest	\$0.002	17 June 2015 – 31 August 2015 & 8 September 2015 – 15 September 2015
Last	\$0.003	17 September 2015

### **6.4 Interests of Directors**

#### **(a) General Interests**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with:
  - (A) its formation or promotion; or
  - (B) the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (i) as an inducement to become, or to qualify as, a Director; or
- (ii) for services provided in connection with:
  - (A) the formation or promotion of the Company; or
  - (B) the Offer.

#### **(b) Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive

Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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

Director	YTD 2015/2016	2014/2015	2013/2014
Mr Michael Sandy	\$4,000	\$107,000	\$120,000
Dr Andrew Kugler Jr	\$4,000	\$24,000	\$24,000
Mr Alexander Sundich	\$4,000	\$107,000	\$120,000

(c) **Interests in securities**

Refer to section 1.3 for details regarding the Director's interests in securities as at the date of this Prospectus.

## 6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(d) the formation or promotion of the Company; or

(e) the Offer.

Patersons Securities Limited will be paid an underwriting fee of approximately \$63,100 together with a \$27,500 management fee in respect of this Offer. Patersons Securities Limited will also be paid \$4,500 per month for corporate advisory services provided to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has not received any fees from the Company.

Patersons Securities Limited has also been appointed as the nominee under ASX Listing Rule 7.7. Patersons Securities Limited will be paid a brokerage fee of 1.5% on the total gross dollar value of all securities sold or \$1,500 plus applicable GST, whichever is the greater for their services as acting as the nominee.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not been paid any fees for legal services provided to the Company.

## **6.6 Consents**

Each of the parties referred to in this section:

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

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

Patersons Securities Limited (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Patersons Securities Limited has also given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7, in the form and context in which it is named.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## **6.7 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 8252 6177 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.burlesonenergy ltd.com](http://www.burlesonenergy ltd.com).

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

## **6.8 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **6.9 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.



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**7. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Michael Sandy**  
**Executive Chairman**  
**For and on behalf of**  
**BURLESON ENERGY LIMITED**

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## 8. GLOSSARY

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

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

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

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires, enclosed with or accompanying this Prospectus.

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

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

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

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

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

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

**Company** means Burleson Energy Limited (ACN 117 770 475).

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

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

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

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

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

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

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

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

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

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

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

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

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

**Shareholder** means a holder of a Share.

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

**Shortfall Application Form** means the shortfall application form.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 3.13 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

**Timetable** means the timetable set out in Section 1.9.

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