

# Pro-rata Rights Issue Entitlement Offer

Details of a 1 for 7 non renounceable entitlement offer of ordinary shares in Abilene Oil and Gas Limited (**New Shares**) at an offer price of A\$0.02 per New Share

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**This offer closes at 5.00pm (Melbourne time)  
on Friday 8 January 2016**

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

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

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

# Pro-rata Rights Issue Entitlement Offer

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# Corporate Directory

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## **Abilene Oil and Gas Limited**

ACN 000 752 849

### **Registered office**

Level 4

100 Albert Road

South Melbourne VIC 3205

Telephone: +61 3 9692 7222

Facsimile: +61 3 9077 9233

### **Directors**

Mr Paul Salter (Chairman)

Mr Craig Mathieson (Non-executive Director)

Mr Mordechai Benedikt (Non-executive Director)

### **Company Secretaries**

Ms Melanie Leydin

Mr Justin Mouchacca

### **Share Registry**

Computershare Investor Services Pty Limited

452 Johnston Street

Abbotsford VIC 3067

### **Website**

To view annual reports, shareholder and company information, news announcements, background information on the Company's businesses and historical information, visit [www.asx.com.au](http://www.asx.com.au).

# Chairman's Letter

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9 December 2015

Dear Shareholder,

## Capital Raising – Rights Issue Entitlement Offer

As announced to ASX on 9 December 2015, Abilene Oil and Gas Limited (**Company**) is undertaking a 1-for-7 non renounceable rights issue of ordinary shares in the Company (**New Shares**) at an offer price of A\$0.02 per New Share (**Rights Issue**).

Shares under the Rights Issue will be offered at \$0.02 per New Share (**Issue Price**) which represents an approximately:

- 66.67% premium to the closing price of ordinary shares in the Company of \$0.012 (1.2 cents) on 8 December 2015, being the last trading day before the announcement of the Rights Issue;
- a 28.57% discount to the volume weighted average price (**VWAP**) of shares in the Company in the one month prior to 8 December 2015; and
- a 28.57% discount to the VWAP of shares in the Company in the three months prior to 8 December 2015.

The maximum number of New Shares which may be issued under the Rights Issue is 52,302,354 to raise up to \$1,046,047.07 for the Company.

Eligible Shareholders should be aware that there is no shortfall or similar offer in respect of the Rights Issue. The Rights Issue is not underwritten.

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

- repayment of part of the loans provided to the Company by Mathieson Downs Pty Ltd (ACN 131 890 036), the granting of which was previously announced to the market on 13 and 21 August 2015;
- repayment of part of the loans provided to the Company by MAP Capital Pty Ltd ATF Atlas Capital Series D (Bond) Fund, the granting of which was previously announced to the market on 12 October 2015;
- ongoing exploration and development projects;
- the Company's ongoing working capital requirements; and
- the expenses of the Offer.

**It is important to note that the Offer closes at 5.00pm (Melbourne time) on 8 January 2016.**

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

If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, your completed Entitlement and Acceptance Form and your Application Money are

received by our share registry, Computershare Investor Services Pty Ltd, or you have paid your application monies pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Salter', with a stylized flourish at the end.

Mr Paul Salter  
**Chairman**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

This letter, the accompanying materials and the Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. They may not be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, U.S. Persons. Neither the Entitlements nor New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, a U.S. Person except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

# Important information

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**This information is important and requires your immediate attention.**

## 1. This document is not a prospectus

This booklet and enclosed Entitlement and Acceptance Form (**Offer Booklet**) have been prepared by Abilene Oil and Gas Limited ACN 000 752 849 (**Company**). This Offer Booklet is dated 9 December 2015.

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

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

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

### 1.1 Section 708AA of the Corporations Act

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

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

### 1.2 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from ASX's website [www.asx.com.au](http://www.asx.com.au).

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

## 2. Future performance and forward looking statements

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

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

## 3. Past performance

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

## 4. This Offer Booklet is not investment advice

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

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

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

## 5. Shareholders to consider individual taxation consequences

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

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

## 6. Information availability

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

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

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

## 7. Foreign jurisdictions

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

### 7.1 New Zealand

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

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

In accordance with relevant New Zealand securities law, a person who, as at the date of this Offer Booklet (9 December 2015) was registered as a holder of Shares with a New Zealand address, but who on the Record Date, being 7.00pm (Melbourne time) on Tuesday 15 December 2015, no longer holds Shares, is not eligible to participate in this Rights Issue.

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

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

### 7.2 Other foreign jurisdictions

The information in this Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Rights Issue, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

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

### **7.3 Nominees and custodians**

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

### **7.4 Restrictions**

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

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

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

## **8. Privacy**

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

## **9. No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted. Further,

## **10. Disclaimer of representations**

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

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

## **11. Governing law**

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

# Key Offer terms and dates

## 1. Key offer terms

Key offer terms	
Issue Price	\$0.02 per New Share payable in full on application <sup>1</sup>
Entitlement	1 New Share for every 7 Shares held on the Record Date
Record Date	Tuesday 15 December 2015 (7pm AEDST)
66.67% Premium to the last closing price before the announcement of the Rights Issue (i.e. the closing price of the Shares on 8 December 2015), being \$0.012 (1.2 cents) per Share	No discount
Discount to the VWAP for the one month before the announcement of the Rights Issue (8 December 2015), being \$0.028 (2.8 cents) per Share	28.57% Discount
Discount to the VWAP for the three months before the announcement of the Rights Issue (8 December 2015), being \$0.028 (2.8 cents) per Share	28.57% Discount
Discount to the VWAP for the six months before the announcement of the Rights Issue (8 December 2015), being \$0.024 (2.4 cents) per Share	16.67% Discount
Approximate number of New Shares to be issued under the Rights Issue	52,302,354
Amount to be raised under the Rights Issue (excluding expenses)	\$1,046,047.07
Approximate number of Shares on issue following the Rights Issue	418,418,829

## 2. Indicative timetable<sup>2</sup>

Event	Date
Announcement of Rights Issue	Wednesday 9 December 2015
The Company to give an Appendix 3B to the ASX and lodge a notice under section 708AA(2)(f) of the Corporations Act	Wednesday 9 December 2015
The Company to send notice to Eligible Shareholders containing information required by Appendix 3B	Thursday 10 December 2015
"Ex date" - the date on which Shares are quoted ex-Entitlement	Friday 11 December 2015

<sup>1</sup> All references in this document to A\$ are to Australian dollars.

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

Event	Date
"Record Date" - the date for determining entitlements of Eligible Shareholders to participate in the Rights Issue (7.00pm Melbourne time)	Tuesday 15 December 2015 (7:00pm Melbourne time)
Anticipated dispatch of offer materials and Entitlement and Acceptance Form to Shareholders (and announcement to ASX that this has occurred)	Friday 18 December 2015
Last day to extend the Applications Closing Date	Tuesday 5 January 2016
Last date for receipt of Entitlement and Acceptance Forms and payment ( <b>Applications Closing Date</b> ) (5:00pm Melbourne time)	Friday 8 January 2016 (5:00pm Melbourne time)
New Shares quoted on a deferred settlement basis	Monday 11 January 2016
The Company to notify ASX of under subscriptions	Wednesday 13 January 2016
The Company to issue New Shares under the Rights Issue, and confirm to ASX all information required by Appendix 3B	Friday 15 January 2016
Normal trading commences	Monday 18 January 2016

### 3. Timetable is subject to change

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

No cooling off rights apply to the Offer.

### 4. Enquiries

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

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

# Details of the Offer

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## 1. Summary of the Offer

The Company is conducting a pro-rata non renounceable rights issue offering Eligible Shareholders in Australia and New Zealand 1 New Share for every 7 Shares held at 7.00pm (Melbourne time) on 15 December 2015 (**Record Date**) at an issue price of \$0.02. The Issue Price per New Share is payable in full on application.

Based on the current capital structure of the Company, a maximum of 52,302,354 New Shares may be issued under the Rights Issue in order to raise up to \$1,046,047.07 for the Company.

### 1.1 Rights Issue

Each Eligible Shareholder is entitled to apply for 1 New Share for every 7 Shares held on the Record Date (**Entitlements**). You may apply for a lesser number of New Shares should you wish to only take up a portion of your entitlements under the Rights Issue.

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

### 1.2 Issue Price

The Issue Price payable for each New Share is \$0.02.

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

### 1.3 Entitlements are non-renounceable

The Rights Issue is non renounceable. This means that Shareholders who do not take up their Entitlements by the Applications Closing Date will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company may be diluted.

### 1.4 No underwriting

The Offer is not underwritten.

## 2. Eligible Shareholders

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

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

- (a) be registered as a Shareholder at as at the Record Date;
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;

- (c) not be in the United States and must not be a U.S. Person and not be acting for the account or benefit of a person located in the United States or a U.S. Person; and
- (d) be eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(Eligible Shareholders).

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

### 3. Rights and liabilities attaching to Shares

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

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

### 4. Offer timetable<sup>3</sup>

The Offer will open for receipt of acceptances on Friday 18 December 2015. The Closing Date and time for acceptances and payments is 5.00pm (Melbourne time) on Friday 8 January 2016, subject to the Company varying the Closing Date in accordance with the Corporations Act and Listing Rules and the consent of ASX.

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

### 5. Purpose of the Offer

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

- (a) repayment of part of the loans provided to the Company by Mathieson Downs Pty Ltd ACN 131 890 036, the granting of which was previously announced to the market on 13 and 21 August 2015;
- (b) repayment of part of the loans provided to the Company by MAP Capital Pty Ltd ATF Atlas Capital Series D (Bond) Fund, the granting of which was previously announced to the market on 12 October 2015;
- (c) ongoing exploration and development projects; and
- (d) the Company's ongoing working capital requirements.

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

For the avoidance of doubt, the loan funds provided to the Company under the:

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<sup>3</sup> Dates and times are indicative only and subject to change at the discretion of the Company. All times and dates refer to the time as it is in Melbourne, Australia.

- (a) loan agreement with Mathieson Downs Pty Ltd, a related entity of Mr Craig Mathieson, Director, which was announced to the market on 13 August 2015, in respect of a \$500,000 loan to fund the costs for drilling and working capital purposes ;
- (a) Mathieson Downs Pty Ltd, a related entity of Mr Craig Mathieson, Director, which was announced to the market on 21 August 2015, in respect of a \$850,000 loan to fund the costs of acquisition of certain working interests and for working capital purposes; and
- (b) MAP Capital Pty Ltd ATF Atlas Capital Series D (Bond) Fund, a related entity of Mr Paul Salter, Director, which was announced to the market on 12 October 2015, in respect of a \$1 million loan to fund working capital requirements.

have been allocated or utilised by the Company, and no available funds remain in respect of those loans.

As the Rights Issue is not underwritten, the allocation of the funds raised as part of the Offer may depend on the level of acceptances and the amount of Application Monies received.

## 6. Effect on capital structure

### 6.1 Effect on existing capital structure

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

Shares	Number
Shares on issue as at 9 December 2015	366,116,475
New Shares offered under the Entitlement Offer as per this Offer Booklet	52,302,354
Total Shares on issue on close of the Entitlement Offer	418,418,829

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

### 6.2 Dilution and effect on control of the Company

The potential effect that the Rights Issue will have on the control of the Company and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders' interest in taking up their Entitlements. The Rights issue is not expected to have a material impact on the control of the Company.

Shareholders should note that if they do not participate in the Rights Issue, their holdings may be diluted if other Eligible Shareholders participate in the Rights Issue.

The following are examples of how any dilution may impact Shareholders that do not participate in the Rights Issue, assuming that the maximum number of New Shares available under the Offer are issued (other than those which the example Shareholder would have received had they fully participated in the Rights Issue):

Example Shareholder	Holdings as at Record Date	% at Record Date	Entitlement under the Rights Issue	Holdings if Entitlements not taken up	% following allotment of Shares*
Shareholder 1	20,000,000	5.46%	2,857,143	20,000,000	4.81%
Shareholder 2	10,000,000	2.73%	1,428,571	10,000,000	2.40%
Shareholder 3	5,000,000	1.37%	714,286	5,000,000	1.20%
Shareholder 4	2,500,000	0.68%	357,143	2,500,000	0.60%

\* This percentage, which is rounded to 2 decimal places, assumes that all New Shares available under the Rights Issue are issued, other than those which the relevant example Shareholder would have received had they fully participated in the Rights Issue (ie. all other Eligible Shareholders fully participate under the Rights Issue and the example Shareholder does not participate under the Rights Issue).

### 6.3 Details of substantial shareholders

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

Shareholder	Number of shares	%
Holdrey Pty Ltd <sup>4</sup>	83,667,507	22.85%
The Silman Entities <sup>5</sup>	61,083,331	16.68%
MAP Capital Pty Ltd	49,551,956	13.53%
Mr Raymond Salter	37,500,000	10.24%
PJP Group Pty Ltd	23,125,995	6.32%

### 6.4 Directors' interests and participation

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

Directors	Number of shares	%
<b>Craig Donald Mathieson</b> Holdrey Pty Ltd, Donald Douglas Vincent Mathieson	83,667,507	22.85%
<b>Paul Salter</b> MAP Capital Pty Ltd as trustee for the Richmond Terrace Capital Absolute Return Fund	49,551,956	13.53%
<b>Mordechai Benedikt</b> Jascot Rise Pty Ltd	5,041,665	1.38%

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

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

## 7. Issue of New Shares

New Shares under the Offer are expected to be issued on or around Friday 15 January 2016 (subject to change at the discretion of the Company).

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

## 8. ASX Listing

The Company has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under this Offer Booklet on Monday 18 January 2016.

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

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

## 9. Ineligible Foreign Shareholders

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

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

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

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

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

## 10. Enquiries

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

# Key Risks

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## 1. Introduction

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

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

## 2. Overview of risks

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

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

## 3. General risks

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

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

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

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

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

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

### **3.1 Economic risks**

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

### **3.2 Operating risks**

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

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

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

### **3.3 Regulatory risk**

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

### **3.4 Low liquidity**

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

### **3.5 Taxation implications**

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

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

# How to apply for New Shares

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

## 1. What Eligible Shareholders may do

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

Eligible Shareholders may:

- (a) take up all of their Entitlements to New Shares (see section 2.1 below);
- (b) take up a proportion of their Entitlements and allow the balance to lapse (see section 2.2 below); or
- (c) not take up any Entitlements and allow them to lapse (see section 2.3 below).

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

## 2. How Eligible Shareholders can accept the Offer

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

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

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

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

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

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

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

## **2.3 If you wish to not take up any Entitlements and allow them to lapse**

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

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

## **3. Methods of acceptance under the Rights Issue**

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

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

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

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in respect of New Shares.

### **3.1 Payment by BPAY**

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

Please note that should you choose to pay by BPAY:

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

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (Melbourne time) on Friday 8 January 2016 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

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

Any application monies received for more than your final allocation of New Shares will be refunded on or around Monday 18 January 2016. No interest will be paid on any application monies received or refunded.

### 3.2 Payment by cheque, bank draft or money order

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

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.02 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

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

Any application monies received for more than your final allocation of New Shares will be refunded on or around Monday 25 January 2016. No interest will be paid on any Application Monies received or refunded.

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

### 3.3 Mail

It is important to note that the Rights Issue closes at 5:00pm (Melbourne time) on Friday 8 January 2016. To participate in the Rights Issue, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Money using the reply paid or self-addressed envelope provided with this Offer Booklet, or mail to:

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

# Glossary

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Term	Definition
Applicant	an Eligible Shareholder who submits an application for New Shares on the conditions set out in this Offer Booklet.
Application	an application for a specified number of New Shares by an Applicant under this Offer Booklet.
Application and Entitlement Form	the personalised form for participation in the Entitlement Offer attached to or accompanying this Offer Booklet.
Applications Closing Date	the date on which the Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on Friday 8 January 2016.
Application Money	monies received from persons subscribing for New Shares pursuant to the terms of the Rights Issue.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
ASX Listing Rules	the listing rules of ASX.
Board	the Directors acting as a board of the Company.
Business Day	a day on which both ASX and major Australian banks are open for trading in Melbourne.
Company	Abilene Oil and Gas Limited ACN 000 752 849.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company.
Eligible Shareholder	as defined in Section 2 of the 'Details of the Offer' section of this Offer Booklet.
Entitlement	the entitlement of an Eligible Shareholder to take up a certain number of New Shares pursuant to the Rights Issue based on the number of Existing Shares held on the Record Date.
Entitlement Offer or Rights Issue	the non renouncement entitlement offer to Eligible Shareholders as at the Record Date to subscribe for 1 New Share for every 7 shares at \$0.02 per New Share.
Existing Shares	means the Shares on issue at the Record Date, being 366,116,475 fully paid Shares in the Company.
GST	Good and Services Tax.

Term	Definition
Ineligible Foreign Shareholder	a Shareholder with an address in the Company's share register outside Australia or New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Issue Price	the price payable for one New Share under this Offer Booklet, being \$0.02.
New Share	a Share offered and issued under this Offer Booklet, the terms and conditions of which are set out in this Offer Booklet.
Offer	the offer in respect of the Rights Issue as detailed in this Offer Booklet.
Offer Booklet	this document dated 9 December 2015.
Offer Period	Friday 18 December 2015 to Friday 8 January 2016 (or any other date as may be determined by the Company).
Opening Date	Friday 18 December 2015.
Record Date	7.00pm (Melbourne time) on Tuesday 15 December 2015.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited ABN 70 005 485 825.
Shareholder	a holder of at least one Share as recorded on the Company's share register.