

This is a Supplementary Prospectus dated 16 December 2014 intended to be read with the Prospectus dated 21 November 2014 relating to the non-renounceable rights Offer to apply for shares in Orpheus Energy Limited.



ORPHEUS
ENERGY

Orpheus Energy Limited
ACN 121 257 412

Supplementary Prospectus

This is a supplementary prospectus (**Supplementary Prospectus**) to the Prospectus dated 21 November 2014 (**Prospectus**) issued by Orpheus Energy Limited ACN 121 257 412 (**Orpheus**) and should be read in conjunction with the Prospectus.

This Supplementary Prospectus is dated 16 December 2014 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. ASIC, ASX Limited (**ASX**) and their respective officers do not take any responsibility for the contents of this Supplementary Prospectus. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus and the Prospectus can be accessed online at www.orpheusenergy.com.au.

Extension of Closing Date

Orpheus advises that the Directors of Orpheus have resolved to extend the Closing Date of the Offer from 19 December 2014 to 12 February 2015. The revised Offer timetable is as follows:

| | |
|--|--------------------------------|
| Closing Date of Offer | 12 February 2015 (5:00pm AEST) |
| New Shares quoted on a deferred settlement basis | 13 February 2015 |
| Expected date of issue of New Shares applied for under the Offer and any Shortfall | 19 February 2015 |
| Expected date of dispatch of transaction confirmation statements | 20 February 2015 |
| Expected date for commencement of normal trading of New Shares issued under the Offer on the ASX | 20 February 2015 |

All references to any of the above dates listed in the Prospectus shall be replaced with the dates set out above. These dates are indicative only and subject to change. Orpheus reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the Closing Date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the Closing Date

will have a consequential effect on the issue date of New Shares. If the Offer is withdrawn, Application Monies will be returned without interest.

Orpheus encourages you to get your applications in early.

Recovery process update on outstanding debts to Orpheus

By way of this Supplementary Prospectus, Orpheus provides Shareholders with an update on the process to recover US\$7,234,147 (**Debt**) owed to Orpheus by Mr Nugroho Suksmanto and the Mega Coal Group.

Under Indonesian legal practice, three notices must be sent prior to the commencement of any formal legal proceedings. Notices have been sent as follows:

First Notice: As detailed in the Prospectus in Section 5.4, the Orpheus Board initiated action to expedite the recovery of the Debt owed by Mr Suksmanto and the Mega Coal Group on 13 November 2014 and 14 November 2014, with the issuing of the first round of notices to Mr Suksmanto and the Mega Coal Group for the payment of the Debt.

Second Notice: As detailed in the announcement released on the ASX on 28 November 2014, on 25 November 2014 and 26 November 2014 the second round of notices were issued to Mr Suksmanto and the Mega Coal Group for the payment of the Debt.

Third Notice: The third and final round of notices were issued to Mr Suksmanto and the Mega Coal Group on 9 December 2014 for the payment of the Debt.

In each of these notices, Orpheus clearly indicated that unless the Debt is paid, Orpheus will commence legal proceedings in Indonesia against Mr Suksmanto and/or the Mega Coal Group (both civil and criminal), including but not limited to filing: (i) a petition for declaration of bankruptcy; (ii) a notice of arbitration and/or; (iii) a police report, in accordance with the prevailing laws and regulations.

Orpheus will keep shareholders updated on the Debt recovery process.

This updated information has been proved to the market by way of an ASX announcement lodged on 16 December 2014, the same date as this Supplementary Prospectus.

Alternative asset acquisition strategy

As detailed in the Prospectus in Section 5.2, the sale of the non-performing coal assets has allowed Orpheus to progress an alternative asset acquisition strategy that the Directors believe will return value to shareholders and provide Orpheus with a sustainable growth business.

To this end, on 31 October 2014, Orpheus announced that:

- (a) one of the projects being investigated by the Board was a potentially industry changing gold processing technology (**Project**).
- (b) it had significantly progressed its due diligence and negotiations, which commenced a number of months ago, on this technology.

This information was reflected in Section 5.2 of the Prospectus.

The Board wishes to advise that following further negotiation and completion of its due diligence it has formed a view that the Project is not in the best interest of either Orpheus or its Shareholders and it has formally terminated discussions in respect to the Project.

Orpheus has, however, commenced discussions on a range of other opportunities, including in the resources sector. Orpheus will keep shareholders updated as discussions progress.

This updated information has been provided to the market by way of an ASX announcement lodged on 16 December 2014, the same date as this Supplementary Prospectus.

Directors' authorisation and consent

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

In accordance with section 720 of the *Corporations Act 2001* (Cth), each Director has consented to lodgement of this Supplementary Prospectus with ASIC.

Dated: 16 December 2014



Wayne Mitchell
Executive Chairman
Orpheus Energy Limited