Prospectus

MUI Corporation Limited

ABN 54 072 350 817

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to be renamed

“Skyland Petroleum Limited”

MUI Corporation Limited (the "Company")
(to be renamed "Skyland Petroleum Limited")
ABN 54 072 350 817

PROSPECTUS

In relation to an offer of a minimum of 140,000,000 Shares at an issue price of $0.10 per Share to raise $14,000,000 (the "Minimum Subscription") with the ability to offer up to a maximum of 170,000,000 Shares at an issue price of $0.10 per Share to raise $17,000,000 (the "Maximum Subscription") (the "Public Offer")

IMPORTANT NOTICE

This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change in the nature and scale of the Company's activities. The Offers are conditional upon satisfaction or waiver of all of the conditions precedent to the Share Exchange Agreement made between the Company and the shareholders of Skyland Petroleum Group Limited dated 29 January 2016 and the approval of all of the Resolutions proposed at the General Meeting of the Company to be held on 18 February 2016. Please refer to Section 2 and 3 of this Prospectus for further details.

All references to Shares made in this Prospectus are on the basis that the 50:1 Consolidation has been approved at the General Meeting and has been effected. The Shares offered by this Prospectus should be considered a highly speculative investment and investors should refer to Section 4 for further details concerning the Risk Factors associated with an investment in the Shares.

This Prospectus provides important information to assist investors in deciding whether or not to invest in the Company and should be read in its entirety. If you are in any doubt as to how to proceed on the basis of information provided in this document please consult your accountant, solicitor or other relevant professional advisor prior to making any investment

This is a Replacement Prospectus dated XX February 2016, it replaces a Prospectus dated 4 February 2016 relating to securities of MUI Corporation Limited

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Important Notice

Date

This is a replacement prospectus for MUI Corporation Limited (**Company** or MUI) dated 18 February 2016 (**Prospectus)**. A copy of this Prospectus was lodged with the Australian Securities Commission (**ASIC**) on that date. It replaces a prospectus dated 4 February 2016 (**Original Prospectus**). Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months from the date of this Prospectus.

Replacement Prospectus

The principal differences between the Original Prospectus and this Prospectus may be summarized as follows. The Prospectus now includes:

- An amended Letter from the Chairman including incorporating the highly speculative nature of any investment in the Company;
- An update in sections 1.2 and 9.2 on how the Company will generate income;
- Enhanced disclosure of key risks; inclusion of a statement regarding current oil and gas prices, future capital requirements and share liquidity risk in sections 1.4 and 4;
- Inclusion of substantial shareholder percentage ownership, Vendors and their percentage ownership (section 1.7);
- Inclusion of Historical Consolidated Statement of Comprehensive Income of MUI and SPG (section 5.2);
- Enhanced disclosure of the analysis of the Kyzyl-Tumshuk Field, Tajikistan and the competent person providing the analysis (section 10.1.7);
- Enhanced disclosure of the Kyzyl-Tumshuk Investment and Operating Agreement (section 10.1.3),
- Enhanced disclosure of the Expenses of the Offers (section 12.5.13); and
- Various consequential amendments clarifying that the Public Offer has a minimum subscription requirement.

Conditional Offers

The Offers are conditional on a number of factors, including Shareholders approving (among other matters) the Acquisition and the Consolidation at the Meeting of the Company on 18 February 2016, the ASX confirming the Company's compliance with Chapters 1 and 2 of the ASX Listing Rules and the ASX approving the re-admission of the Company to the ASX. The terms of the Acquisition are more particularly summarised in Section 2 and the various conditions to the Offers are summarised in Section 3.

Application for Quotation

At the relevant time the Company will apply to ASX for the New Shares, being the subject of the Offers, to be admitted to quotation on ASX. In the event that the New Shares are not admitted to quotation on ASX, they will not be issued by the Company and all Application

Monies will be refunded to Applicants. The admission of the New Shares to quotation (and the re-admission of the Company following compliance with Chapters 1 and 2 of the ASX Listing Rules) is not to be taken in any way as an indication by ASX of the merits of the Company.

Speculative Investment/Risk

It is important that Applicants read this Prospectus in its entirety before deciding to invest so that they may make an informed assessment of the assets and liabilities, financial position and prospects of the Company and the rights attaching to the New Shares offered by this Prospectus. An investment in the Company must be considered speculative. Please refer to the summary in the Investment Overview Section in Section 1.4 to this Prospectus for details relating to risks involved with an investment in the Company.

Foreign Jurisdictions

This Prospectus 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. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and any person who comes into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Hong Kong

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute an offer or sale in Hong Kong of any Shares and no person may offer or sell in Hong Kong, by means of this Prospectus, any Shares other than (a) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in his possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Electronic version of this Prospectus

A copy of this Prospectus may be viewed on the company announcements section of the ASX website at www.asx.com.au and can be downloaded from the website of MUI Corporation Limited at www.mui.net.au. In order to benefit from any investor protections provided by applicable Australian securities laws and regulations, any person accessing the electronic version of this Prospectus for the purposes of becoming a shareholder must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand. The Corporations Act prohibits any person passing on to another person the Application Form unless it is attached to a hard copy of this Prospectus or accompanied by the complete and unaltered version of this Prospectus. Prospective Applicants should read this Prospectus in its entirety before completing the Application Form. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

No Forecasts

The business of oil and gas exploration, appraisal and development is speculative where there are no proved reserves and there are significant uncertainties associated with forecasting revenues and expenses of such operations.

Accordingly, the Directors believe that reliable forecasts cannot be prepared and forecasts have therefore not been included in this Prospectus in accordance with ASIC Regulatory Guide 170.

Forward-looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "targets", "expects", "intends" and other words expressing a similar likelihood or a possibility (whether objectively or subjectively framed) occurring.

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

Any forward-looking statements contained within this Prospectus are subject to various risk factors that could cause actual results to differ materially from those expressed or anticipating in these statements. The Company has endeavored to set out the key Risk Factors of making an investment in the Company under this Prospectus and they are set out in Section 4

Disclaimer

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on any of the issued securities of the Company.

No person is authorised to provide any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus.

Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with the Offers.

Privacy

The Application Forms accompanying this Prospectus require you to provide information that may be personal information for the purposes of the *Privacy Act* 1988 (Commonwealth). The Company (and the Share Registry on its behalf) may collect, hold and use that personal information in order to assess your Application, service your needs as an investor in the Company, provide facilities and services that you request or that are connected with your investment in the Company and carry out appropriate administration.

You may request access to your personal information held by the Company or the Share Registry by contacting the Company Secretary.

Definitions

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 16 of this Prospectus.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional advisor without delay.

Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary, Louisa Martino, on +61 2 (02) 8823 3179.

Corporate Directory: MUI Corporation Limited (ABN 54 072 350 817)

Directors

Mr. John Bell	(Non-Executive Chairman)
Mr. Domenic Martino	(Non-Executive Director)
Mr. Philip Silva	(Non-Executive Director)

Proposed Directors

Dr. David Robson	(Chairman and Managing Director)
Ms. Elizabeth Landles	(Executive Director, Group Corporate Secretary)
Mr. Mark Sarssam	(Executive Director)
Mr. Piers Johnson	(Non-Executive Director)
Dr. Raden Sukhyar	(Non-Executive Director)
Mr. Ghassan Zok	(Non-Executive Director)
Mr. Timothy Hargreaves	(Non-Executive Director)
Mr. Domenic Martino	(Non-Executive Director)

Company Secretary

Ms. Louisa Martino

Solicitors to the Offers

Hunt and Humphry
15 Colin Street, West Perth 6005
www.huntandhumphry.com.au

Registered Office

Level 5, 56 Pitt Street
Sydney, NSW 2000
Telephone: +61 (02) 8823 3179
Facsimile: +61 (02) 8823 3188

Corporate Adviser

Cedrus Investments Limited
Grand Pavillion
802 West Bay Road
Grand Cayman, Cayman Islands

Auditors/Investigating Accountant

William Buck (Vic) Pty Limited
Level 20, 181 William Street
Melbourne, VIC 3000
Telephone: +61 (03) 9824 8555

Independent Geologist

Gustavson Associates LLC
575 Central Ave.
Boulder, Colorado
USA
Telephone: + 1 (303) 443 2209

Share Registry*

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide, SA 5000
Telephone: +61 (03) 9415 4000
*This entity has been included for information purposes only.
It has not been involved in the preparation of this Prospectus.

ASX Code

Current: MUI
Proposed: SKP

Indicative Timetable	
Lodge Prospectus with ASIC	4 February 2016
Snapshot date for eligibility to vote at General Meeting	16 February 2016
General Meeting to consider Resolutions	18 February 2016
Suspension in trading in Shares	18 February 2016
Consolidation Date	18 February 2016
Opening of Public Offer	19 February 2016
Closing of Public Offer	11 March 2016
Shares issued under the Public Offer, to Vendors and Convertible Noteholder on completion of the Acquisition	17 March 2016
New holding statements and certificates dispatched to Shareholders following completion of Public Offer	22 March 2016
Normal trading of Shares resumes (subject to satisfaction of Chapters 1 and 2 of the ASX Listing Rules). Normal T+2 trading commences.	24 March 2016

Please Note:

The anticipated date of quotation of the New Shares is subject to the approval of the ASX. The dates shown in the table above are indicative only and subject to change. The Company, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, reserves the right to change any of these dates without notice. This may include varying the Opening Date or the Closing Date, extending, or closing early of the date of issuing Shares, the Offers or accepting late Applications, either generally or in particular cases. Any variation may have a consequential effect on other dates. You are encouraged to submit your Application Forms as soon as possible after the Offers open. The Company also reserves the right not to continue with the Offers at any time before the allotment of Shares to successful Applicants.

Although trading would ordinarily commence in the re-organised securities on a deferred settlement basis on the usual date, the Company's securities will remain suspended until the Company has satisfied the requirements of Chapters 1 & 2 of the ASX Listing Rules.

The Company intends to make all efforts to ensure that any suspension of any of its listed securities is kept to as brief a period as possible.

Letter from the Chairman

Dear Investor

On behalf of the Board of Directors, I introduce to you the opportunity to become a shareholder of the Company. The Public Offer proposed in this Prospectus is seeking to raise, at a minimum subscription level, $14,000,000 through the issue of 140,000,000 Shares at a price of $0.10 per Share with the ability to offer up to a maximum subscription level, up to $17,000,000 through the issue of 170,000,000 Shares at a price of $0.10 per Share.

The Company has entered into an agreement pursuant to which the Company has agreed to acquire 100% of the issued capital of Skyland Petroleum Group Limited ("**SPG**") to be affected by a share exchange agreement made by and between the Company and SPG on 29 January 2016 (the "**Share Exchange Agreement**").

The funds raised by the Public Offer will allow the Company to meet the funding requirements arising from its acquisition of SPG (the "**Acquisition**") and to conduct exploration and development programmes on projects in Tajikistan and Georgia.

The proposed Acquisition will see the Company focus its commercial and strategic activities on upstream oil and gas exploration and production. The Company intends to establish itself as a significant player in oil and gas exploration and production through an initial focus in projects based in the former Soviet Union ("**fSU**").

The Company has convened a General Meeting of its Shareholders to be held on 18 February 2016 to seek approval for, among other matters, the issue of securities to effect the Acquisition, the change in nature and scale of the Company's operations and the change of the name of the Company to "Skyland Petroleum Limited".

This Prospectus contains detailed information about the Company. This is a highly speculative investment and investors should refer to, and consider carefully, the Risk Factors outlined in this Prospectus at Section 4 prior to making any investment decision. An investment in the Company therefore involves a number of risks and consequently such an investment must be taken having paid due regard to the risks involved to the security of any capital invested. Before you make any investment I wholly recommend and encourage you to read this Prospectus in its entirety and to seek appropriate financial advice.

Yours faithfully

John Bell
Non-Executive Chairman

1. Investment Overview

1. Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

1.1 Introduction

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td>Who is the Issuer of this Prospectus?</td><td>MUI Corporation Limited (ABN 54 072 350 817) (the “Company” or “MUI”) proposed to be renamed “Skyland Petroleum Limited”.</td><td>Page 1</td></tr>
<tr><td>Who is the Company?</td><td>The Company is a public company listed on the official list of ASX (ASX code: MUI) with a historical focus in the film and media industry.

On 20 November 2015, the Company announced it had entered into a binding term sheet (the “Binding Term Sheet”) to acquire 100% of the issued capital in SPG; an exploration and production company that has an interest in, and is negotiating the acquisition of, a portfolio of oil and gas assets.</td><td></td></tr>
<tr><td>Who is Skyland Petroleum Group Limited?</td><td>Skyland Petroleum Group Limited (“SPG”) is a company incorporated in the Cayman Islands on 19 February 2015 with company number OG-296850.

SPG has a number of subsidiaries to facilitate its operations as follows:
Skyland Services Limited (Guernsey);
Skyland (Taas) Limited (Cayman Islands);
Sogdiana Energy Corporation (Cayman Islands);
Skyland Management Consultancies (Dubai, U.A.E.);
Skyland Services LLC (Delaware); and
Skyland Services Limited (Tajikistan).</td><td>2, 12</td></tr>
<tr><td>What does Skyland Petroleum Group Limited do?</td><td>SPG and its subsidiaries are invested in oil and gas projects in Tajikistan and Georgia as well as intending to gain exposure to further projects in the upstream hydrocarbon sector in East Siberia.</td><td>9 –10</td></tr>
<tr><td>How will the Acquisition be implemented?</td><td>On 29 January 2016, the Company and the Vendors entered into a Share Exchange Agreement under which the Vendors agreed to sell all of the issued capital of SPG to the Company.

The Acquisition will be achieved by the Vendors transferring all their shares to the Company in exchange for the Company issuing the Vendor Shares to the Vendors in accordance with the terms of the Share Exchange Agreement.

At the General Meeting to be held on 18 February 2016, the Company is seeking shareholder approval for a change in nature and scale of its activities together with the necessary approvals to complete the acquisition of SPG and for the undertaking of the Offers.

Following completion of the Acquisition, the principal activities and assets of the Company will be the current activities and assets of SPG. Details regarding these activities and assets are contained in this Prospectus.

The Company proposes to change its name to “Skyland Petroleum Limited” on settlement of the Acquisition, which in the Proposed Directors’ opinion will be better suited to the Company’s new strategic direction.

Where relevant, this Prospectus assumes that the Acquisition has been completed and all preconditions to completion have been satisfied.</td><td>2 – 3, 12</td></tr>
</table>

Question	Response	Section
Why are the Offers a conditional offer?	Completion of the Acquisition and the Offers is subject to certain conditions (detailed in Sections 2, 3 and 12.3.1). One of those conditions is the approval of Shareholders of the Company at the General Meeting of Shareholders to be held on 18 February 2016. If Shareholders do not approve all of the relevant resolutions, the Company will be unable to make the Offers and the Company will be unable to complete the Acquisition.	3
What happens if the Minimum Subscription is not achieved?	If the Minimum Subscription of the Public Offer is not reached within three months after the date of the Prospectus, no Shares will be issued and Application monies will be refunded as soon as is practicable in full, without interest. In addition, the Company will not be in a position to complete its acquisition of SPG.	2.1

1.2 Key Features of SPG's Business Model

Question	Response	Section
What market does SPG Operate in?	SPG operates in the oil and gas market and, more specifically, in the evaluation and acquisition of oil and gas assets in the fSU. SPG's current asset is in Tajikistan and SPG anticipates finalising a transaction to enter a project in Georgia during quarter 1 of 2016.	9 – 10
How will the Company generate revenue following completion of the Acquisition?	The Company intends to commercialise oil and gas reserves and resources, however it is noted to investors that the Company's ability to generate revenue shall be contingent upon exploration prospects being successful and commercialisation of the reserves being viable. Investors should be aware that the Company cannot and does not make any assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil and gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and, such a situation would be likely to have an adverse effect upon the Company's ability to generate revenue, and therefore the value of any investment made by investors in the Public Offer	9 – 10
What are SPG's key costs?	Key costs for SPG include: • costs associated with exploration and production of oil and gas assets; • costs associated with the acquisition and exploration and development of oil and gas assets; • employee costs including salaries and related costs of all SPG employees and contractors; and • administration and finance costs.	2.7
What will be the Company's key business strategies following completion of the Acquisition?	SPG's strategy following the completion of the Offers is: • to continue to expand its portfolio of assets in the oil and gas sector; • to maintain its current obligations under its existing agreements; • to expand into additional targeted geographical markets complementary to the business of SPG; • to investigate the development of potential strategic partnerships and/or potential strategic acquisition opportunities in the oil and gas sectors; and leverage the skills and expertise of SPG's executive and leadership team.	9 – 10
What will be the Company's major asset upon admission?	The Company's major asset and interest upon admission will be the Kyzyl-Tumshuk Field in Tajikistan, as well as its cash reserves and management team and senior officers.	9 – 10
Who will be the Company's customers?	It is envisaged that the Company's customers will be commercial oil and gas buyers.	9 – 10
Who will be the Company's competitors?	The Company's direct competition is from other upstream oil and gas companies operating in the fSU and Central Asia.	9 – 10

Question	Response	Section
What are the Company's key material contracts?	Upon Acquisition of SPG, the material contracts of the Company shall include: • an Investment and Operating Agreement in respect of operations on the Kyzyl-Tumshuk Field, Tajikistan; and • a binding heads of agreement in respect of a farm-in to a production sharing contract concerning Block XI^G in Georgia.	12

1.3 Key Highlights

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td>Long-term growth of the Company</td><td>Given the Company’s limited capital and lack of income, it will have difficulty in creating significant long-term value for the Shareholders in its current situation.

The Directors of MUI have determined that the acquisition of SPG has the potential to increase MUI shareholder value and to provide the Company with a future business direction.</td><td>Chairman’s Letter, 2</td></tr>
<tr><td>Increase in liquidity</td><td>The Acquisition will increase the market capitalisation of the Company and provide liquidity for the Company’s shares.</td><td>2</td></tr>
<tr><td>Management team</td><td>The proposed management team of SPG are highly experienced oil and gas professionals with a deep knowledge of conducting upstream oil and gas operations in the fSU.</td><td>7</td></tr>
<tr><td>Asset highlights</td><td>Through the acquisition of SPG the Company will:
acquire a producing oil and gas asset in the Republic of Tajikistan under attractive fiscal terms;
acquire an interest in an attractive exploration prospect in the Republic of Georgia; and
have the benefit of a series of Memoranda of Understanding (“MOUs”), cooperation agreements and other such early stage documentation relating to a series of production and exploration assets in Tajikistan and East Siberia, (including the Taas-Yuriakh Project).
The Proposed Directors anticipate that revenue generation may be possible following completion of the Offers as a result of oil and gas production in Tajikistan.</td><td>2, 9, 10</td></tr>
</table>

1.4 Key Risks

Question	Response	Section
What are the key risks of investing in the Company?	The business, assets and operations of the Company following the Acquisition are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company. The Proposed Directors aim to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited. Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of those risks and other risks associated with an investment in the Company are detailed in Section 4. **Limited Trading History and Losses** SPG is an early-stage business with a limited trading history. Since incorporation in February 2015, SPG's activities have principally been the identification of exploration and production targets for oil and gas. SPG has incurred continuing losses since its inception totaling $2,755,478 at 30 September 2015. Given SPG's limited trading history, no assurance can be given that SPG's business and operations will achieve commercial viability through the implementation of its business plan. **Reliance on Key Personnel** The emergence and development of SPG's business has been in large part due to the experience and leadership of its management team; including its Executives: Dr. David Robson, Ms. Elizabeth Landles and Mr. Mark Sarssam. The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on senior management and its key personnel. SPG is also substantially dependent on the continued service of its existing personnel because of the nature of its operations and the countries in which it operates. **Regulatory Environment** SPG's operations are subject to applicable laws and regulations in the jurisdiction in which it operates. SPG takes appropriate legal advice in each of the jurisdictions in which it operates but there can be no guarantee that the legal advice will always be valid or will remain valid in the event of any change to the regulatory environment. In the event that the advice is incorrect or no longer applicable then the operations of the Company may become at risk. The Company's operations may become subject to onerous regulatory requirements, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant damage to the Company's reputation and consequently impact on its revenue and profits.	4

Question	Response	Section
What are the key risks of investing in the Company? (continued)	**Oil and Gas Price Volatility** The operations of the Company will naturally be exposed to fluctuations in the price of oil and gas. The demand for, and price of oil and gas is highly dependent on a variety of factors including: international supply and demand, the level of consumer product demand, weather conditions, actions taken by governments and international cartels and global economic and political developments. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil and gas may have a material adverse effect on the Company's business, financial condition and results of operations. Investors should note that the prices in the current oil and gas market are regarded as being low, with little obvious short term indication of recovery. Investors should be aware that further decreases in oil and gas price levels may ultimately affect the viability of exploration activities within the Company's focus areas, which could result in a negative effect on the Company's future cash flow and the viability of potential future projects, which in turn may affect the value of the Company's Shares. It is noted that SPG is not involved in any high operating cost projects such as offshore developments. **Re-Quotation of Shares on ASX** The acquisition of SPG constitutes a significant change in the nature and scale of the Company's activities and the Company therefore must seek to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of ASX. There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules. In the event the Company does not receive conditional approval for re-quotation of its securities on ASX, the Acquisition will not be implemented. **Acquisitions** As part of its future business strategy, the Company may make acquisitions of, or significant investments in, companies and/or assets that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, or assets: such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships. **Future Capital Requirements** The funds raised under the Public Offer are currently considered sufficient to meet the immediate objectives of the Company. The funds raised under this Prospectus will enable the Company to perform the following activities in relation to its Georgian projects: (i) to acquire the project interest (being 20% of the PSC) through acquisition cost funding; and (ii) provide an equity contribution to the minimum work programme including drilling, testing and completion of the Kumisi #2 Well.; and	4

Question	Response	Section
What are the key risks of investing in the Company? (continued)	The funds raised under this Prospectus will enable the Company to perform the following activities in relation to its Tajikistan projects: (i) geophysical logging (of existing well bores); (ii) instillation of upgraded pumps and related equipment; (iii) well-stimulation (including acidisation); and (iv) potential short-reach radial completion. It is the view of the Proposed Directors that completion of these activities may lead to the practical commercialisation of the projects of the Company. Further funding may be required by the Company in the event costs exceed the Company's estimates or revenues do not meet estimates, to support its ongoing activities and operations, and to take advantage of opportunities for acquisitions, joint ventures or other business and technology opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required. Accordingly, the Company may seek to raise further funds through equity or debt financing, joint ventures, or other means to secure additional funds. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its activities and potential development programmes which would be likely to adversely affect the business and financial condition of the Company and consequently its performance. There can be no assurance that additional finance will be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to Shareholders. **Contractual Risk** The business of SPG has a significant dependence on its counterparties and their ability to meet their contractual obligations pursuant to the agreements entered into with SPG. In particular, SPG relies on the continuation of its key material agreements as set out in this Prospectus. The ability of the Company to achieve its stated objectives will depend upon counterparties to each of these agreements being able to perform their respective obligations. If any counterparty defaults in the performance of their obligations, it may 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. SPG has no current reason to believe that any of the parties which it has contracted with will not meet and satisfy their obligations under their respective agreements. **Foreign Operations and Compliance with Law** SPG conducts foreign operations, and will market and sell products in foreign jurisdictions and will, therefore, be exposed to risks relating to operating in such foreign jurisdictions. Many of these risks are inherent in doing business internationally and these will include, but not be limited to: changes in the regulatory environment, trade barriers or the imposition of taxes, difficulties with staffing and/or managing any foreign operations, issues or restriction on the free transfer of funds, technology export or import and delays in dealing across borders caused by customers or governmental agencies.	4

Question	Response	Section
What are the key risks of investing in the Company? (continued)	**Share Liquidity risk** The Company currently has 3,693,857,804 Shares on issue (on a pre-Consolidation basis), if the Resolutions are approved at the General Meeting, the Company's Shares will be consolidated on a one for fifty basis into approximately 73,877,160 Shares (subject to rounding of fractional entitlements). On Completion, the Company will issue a further 951,647,010 Shares (Minimum Subscription) or up to 981,647,010 Shares (Maximum Subscription) (on a post-Consolidation basis). A portion of the shares on issue will be subject to escrow restrictions in accordance with Chapter 9 of the ASX. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be tradable freely for a period of time. Conversely, if the Company is successful in achieving some or all of its objectives, this relative lack of liquidity may lead to volatility in the price of the Company's securities.	4

1.5 Financial Information

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td>What key financial information do you need to know about the Company's financial position, performance and prospects?</td><td>Following the change in the nature of its activities and completion of the Acquisition, the Company will be focused on developing the SPG business whereas the Company's current operations are focused on media and film.

Therefore, the Company's past operations and financial historical performance will not be of significant relevance to future activities.

Key financial information is summarised in Section 5.

Set out below is a selected summary of the Company's Pro-Forma Consolidated Statement of Financial Position post-Acquisition.

<table>
<tr><th>Following Acquisition</th><th>Minimum Subscription ($14,000,000)</th><th>Maximum Subscription ($17,000,000)</th></tr>
<tr><td>Cash</td><td>13,995,826</td><td>16,875,826</td></tr>
<tr><td>Net Assets</td><td>12,143,533</td><td>15,023,533</td></tr>
</table>

As detailed in Section 5, the Company's Historical Pro-forma Consolidated Statement of Financial Position includes a number of adjustments as if they occurred on 30 September 2015, including but not limited to closure of the capital raising and costs of the Offers; and adjustments for the acquisition of SPG.

The financial information detailed in Section 5 and the Investigating Accountant's Report detailed in Section 6 is based on various best estimate assumptions.

These assumptions should be read in conjunction with the risk factors set out in Section 4.</td><td>5</td></tr>
<tr><td>How has the Company been performing?</td><td>The historical financial information of the Company as at 30 June 2013, 30 June 2014 and 30 June 2015 is set out in Section 5 of the Prospectus.

The reviewed pro-Forma statement of financial position for the Company as at 30 September 2015 is set out in Section 5.4 of the Prospectus.</td><td>5</td></tr>
<tr><td>How does the Company expect to fund its operations?</td><td>The initial funding for the Company's future activities following completion of the Acquisition will be generated from the Public Offer pursuant to this Prospectus.

The Company may need to raise further capital in the future to continue to develop its business, and such amounts may be raised by further equity raisings, or the Company may consider other forms of debt or quasi-debt funding if required.</td><td>2, 9, 10</td></tr>
<tr><td>What are the Company's forecast prospects?</td><td>The Directors and Proposed Directors are of the opinion that as the financial performance of the Company in any period will be influenced by various factors that are outside their control.

The Directors have, therefore, concluded that it is not appropriate to provide any forecast financial information in relation to the Company.</td><td>N/A</td></tr>
</table>

1.6 Experience and Background of the Directors and Senior Management

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td rowspan="3">Who will be on the board of Directors?</td><td>Dr. David Robson
(Executive Chairman and Managing Director)

Dr. Robson is a geologist having obtained a First Class B.Sc. (Hons.) degree in Geology and a Ph.D. in Geochemistry from the University of Newcastle-upon-Tyne. He holds an MBA from Strathclyde Business School.

He has spent over 30 years working in the oil and gas industry for major companies such as Mobil and Britoil and for independents such as Hamilton Brothers Oil & Gas (BHP Petroleum). Since 1990 he has worked in the USSR and fSU, in Russia, Kazakhstan, Uzbekistan, Georgia, Tajikistan and Ukraine.

He is a founder of SPG and as Executive Chairman and Managing Director, Dr. Robson will be responsible for overall strategy and management of the company.</td><td rowspan="3">7</td></tr>
<tr><td>Mr. Mark Sarssam
(Chief Operating Officer)

Mr. Sarssam is an Executive Director and the Chief Operating Officer for SPG, responsible for managing and coordinating the exploration, appraisal and development of SPG’s oil and gas assets.

Mr. Sarssam graduated from Imperial College London with a Master’s Degree in Petroleum Engineering.

In total, Mr. Sarssam has 25 years of continuous experience in the oil & gas industry, having worked with Shell, Dragon Oil plc, Amerada Hess and FINA, and has worked on a variety of both offshore and onshore projects in the North Sea, Middle East, Africa, Central Asia (fSU) and the Far East.

In addition to his technical skills and experience, Mr. Sarssam has a strong background in commercial evaluation and international new business development.</td></tr>
<tr><td>Ms. Elizabeth Landles
(Executive Director, Group Corporate Secretary and Chief Administrative Officer)

Ms. Landles is an Executive Director, Chief Administrative Officer and Corporate Secretary of SPG. She is also one of the founders of SPG.

Ms. Landles holds an Advanced Diploma in Business Administration from the Institute of Business Administration and Management and is a Fellow of the Institute of Business Administration. She is also a member of the Institute of Directors and holds their Certificate of Company Direction. In addition, Ms. Landles is a member of the AIPN and has over 18 years experience of working on corporate and administrative issues in fSU oil and gas related companies.

Going forward, Ms. Landles will have overall responsibility for the administration of the Company including human resources, investor relations, external affairs management as well as logistics and support.</td></tr>
</table>

Question	Response	Section
	Mr. Piers Johnson **(Non-Executive Director)** Mr. Johnson is an experienced petroleum engineer with 30 years' experience. He holds a B.Sc. (Hons) degree in Mechanical Engineering from Nottingham University, and is a Chartered Engineer with the Institution of Mechanical Engineers. He is past Chairman of the London Section of the Society of Petroleum Engineers (SPE), a Member of the Petroleum Exploration Society of Great Britain and a member of the Institute of Energy.	
	Dr. Raden Sukhyar **(Non-Executive Director)** Dr. Sukhyar was appointed President Commissioner PT Ant Am (Indonesia) on May 31, 2012. Dr. Sukhyar graduated from Monash University in Melbourne, Australia in 1990 with a Doctor of Philosophy degree (Ph.D.) in Earth Science and the National Resilience Institute (LEMHANAS) in 2003. Dr. Sukhyar currently holds the post of General Director of Mineral and Coal of the Ministry of Energy and Mineral Resources of the Republic of Indonesia (MEMR) and previously held the post of the Head of the Geological Agency of MEMR (2008-2013).	
	Mr. Ghassan Zok **(Non-Executive Director)** Mr. Zok brings over 31 years of extensive management experience in the pharmaceutical industry at world class companies, Sandoz and Novartis (merger of Sandoz and Ciba-Geigy), where he served as Chief Executive Officer for Sandoz Pharmaceuticals in South Africa, followed by Managing Director for Sandoz Pharmaceuticals in Greece, followed by Chief Executive Officer for Sandoz Pharmaceuticals in Belgium and finally Country President for Novartis in Belgium.	7
	Mr. Timothy Hargreaves **(Non-Executive Director)** Mr. Hargreaves has 40 years' experience in international resource businesses in Asia, Australia, Europe and the Middle East. His early career was in petroleum exploration, appraisal and business development with major companies such as BHP, Union Texas, Fletcher Challenge and British Gas up to vice president and country manager levels. He then worked in smaller entrepreneurial independents such as ROC Oil, Scimitar Hydrocarbons, Tethyan Copper Company and Orient & Gulf Investments at levels up to CEO/Board. He has played significant roles in over 25 oil and gas discoveries that were subsequently developed into producing fields.	
	Mr. Domenic Martino **(Non-Executive Director)** Mr. Martino is a Chartered Accountant and an experienced director of ASX listed companies. Previously, Mr. Martino was CEO of Deloitte Touche Tohmatsu in Australia and he has significant experience in the development of "micro-cap" companies. Following the Acquisition, Mr. Martino will continue to be a Director of the Company.	
Who will be the leadership team and what is their expertise?	The Company will be led by the Proposed Executive Directors and Senior Officers. Please see Section 7 for further details of their credentials.	7

1.7 Significant Interests of Key Shareholders and Related Party Transactions

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td>Who will be the substantial Shareholders of the Company?</td><td>Based on the current shareholders of SPG and the Company, the substantial shareholders of the Company at completion of the Acquisition (assuming a Public Offer of either a minimum of $14,000,000 (the "Minimum Subscription") or $17,000,000 (the "Maximum Subscription") and no exercise of the Options as detailed in the Options Offer) are expected to be as follows:
<table>
<tr><th colspan="4">Substantial Shareholders (being a Shareholder holding in excess of 5% of the Company's Issued Share Capital</th></tr>
<tr><th>Name</th><th>% Holding in Company post-Acquisition</th><th>% Holding in Company post-Public Offer at Minimum Subscription</th><th>% Holding in Company post-Public Offer at Maximum Subscription</th></tr>
<tr><td>Vazon Associates Limited *</td><td>32.25</td><td>27.84</td><td>27.05</td></tr>
<tr><td>Mancliff Investments Ltd</td><td>13.33</td><td>11.51</td><td>11.19</td></tr>
<tr><td>Augment Holdings Limited</td><td>12.41</td><td>10.72</td><td>10.41</td></tr>
</table>
*It is noted that Vazon Associates Limited is associated with Dr. David Robson and Ms. Elizabeth Landles (both individuals being two of the Proposed Directors).</td><td></td></tr>
<tr><td>Who are the Vendors and what will be their holdings</td><td>The Vendors, as detailed in the Share Exchange Agreement and being those persons who are transferring all of their shareholdings in SPG to the Company in exchange for the Company issuing the Vendor Shares to them, are as follows:
<table>
<tr><th>Vendor</th><th>% Holding in Company post-Acquisition</th><th>% Holding in Company post-Public Offer at Minimum Subscription</th><th>% Holding in Company post-Public Offer at Maximum Subscription</th></tr>
<tr><td>Vazon Associates Limited *</td><td>32.25</td><td>27.84</td><td>27.05</td></tr>
<tr><td>Mancliff Investments Ltd</td><td>13.33</td><td>11.51</td><td>11.19</td></tr>
<tr><td>Augment Holdings Limited</td><td>12.41</td><td>10.72</td><td>10.41</td></tr>
<tr><td>Fortune Luck Consultants Limited</td><td>4.96</td><td>4.29</td><td>4.16</td></tr>
<tr><td>Phoenician Group Limited</td><td>4.90</td><td>4.23</td><td>4.11</td></tr>
<tr><td>Merit Group Limited</td><td>4.38</td><td>3.78</td><td>3.67</td></tr>
<tr><td>Mark Sarssam</td><td>4.35</td><td>3.76</td><td>3.66</td></tr>
<tr><td>PacificLink Advisors LLC</td><td>1.60</td><td>1.38</td><td>1.34</td></tr>
<tr><td>Tardigrade Investments LLC</td><td>0.83</td><td>0.72</td><td>0.70</td></tr>
<tr><td>Senior SPG Staff</td><td>11.17</td><td>9.65</td><td>9.37</td></tr>
<tr><td>Total</td><td>90.18</td><td>77.88</td><td>75.66</td></tr>
</table>
*It is noted that Vazon Associates Limited is associated with Dr. David Robson and Ms. Elizabeth Landles (both individuals being two of the Proposed Directors).</td><td></td></tr>
</table>

Question	Response	Section
At Completion, what will be the Directors' security holdings in the Company?	Those Directors with interests upon completion of the Acquisition are set out below: **Dr. Robson:** - Indirect interest in 285,650,000 Shares via Vazon Associates Limited representing (i) 32.25% holding in the Company post-Acquisition; (ii) 27.84% holding in the Company post-Public Offer at Minimum Subscription; and (iii) 27.05% holding in the Company post-Public Offer at Maximum Subscription. - Direct interest in 4,000,000 Options. **Ms. Landles:** - Indirect interest in 285,650,000 Shares via Vazon Associates Limited representing (i) 32.25% holding in the Company post-Acquisition; (ii) 27.84% holding in the Company post-Public Offer at Minimum Subscription; and (iii) 27.05% holding in the Company post-Public Offer at Maximum Subscription. - Direct interest in 3,000,000 Options **Mr. Sarssam:** - Direct interest in 38,546,470 Shares representing (i) 4.35% holding in the Company post-Acquisition; (ii) 3.76% holding in the Company post-Public Offer at Minimum Subscription; and (iii) 3.66% holding in the Company post-Public Offer at Maximum Subscription. - Direct Interest in 3,000,000 Options. **Mr. Johnson:** - Direct interest in 1,250,000 Options. **Dr. Sukhyar:** - Direct interest in 1,250,000 Options. **Mr. Zok:** - Direct interest in 1,250,000 Options. **Mr. Hargreaves:** - Direct interest in 1,250,000 Options. **Mr. Martino:** - Direct interest in 1,250,000 Options. Please refer to Section 12 for full details on all of the interests of the Directors.	12
What escrow restrictions apply to the key Shareholders' Shares?	At the date of this Prospectus, the Company does not have any restricted securities held in escrow. Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules; certain securities on issue prior to the Offers and certain securities issued as part of the Offers may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation or date of issue. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company shall comply with any necessary and appropriate escrow requirements as stipulated by the ASX.	12
What important contracts with related parties is or will the Company be a party to?	The Company has entered into agreements to acquire the entire issued share capital of SPG. The consideration for the Acquisition consists of the issue of Shares to the Vendors. It is noted that the current SPG Directors and or their related parties are Vendors. Accordingly, each of these Directors (or entities with whom they are associated) will be receiving a proportion of the consideration payable by the Company in respect to the Acquisition and/or pursuant to the Vendor Offer. SPG currently is a party to agreements with related parties. These agreements are primarily for the employment of the executive directors of SPG and also for office services administration. Please refer to Section 12.3.2 for information on Personnel Service Agreements.	12

Question	Response	Section
Post Completion, what significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	On Acquisition, the current Directors (excluding Mr. Domenic Martino) will step down and following the Acquisition, the Proposed Directors will receive or will be entitled to receive (on an accruals basis) remuneration. At this time, the Remuneration Committee has not been formed due to the need for restructuring of the Board of Directors which, as specified above, is subject to relevant Shareholder approval, and shall occur on 18 February 2016 following the General Meeting of the Company. At this time, the Proposed Directors and Mr. Martino cannot specify their remuneration given that the Remuneration Committee cannot make a statement to this effect, and in the opinion of the incoming Directors, to do so at this stage could risk compromising the independence of the Remuneration Committee in making a decision for the best interests of the Shareholders and of the Company. SPG has agreements with Vazon Energy Limited for the provision of the services of Dr. David Robson and Ms. Elizabeth Landles who receive an annual fee of USD 541,752 and USD 314,000 respectively. Mr. Mark Sarssam has a contract with SPG for his engagement as Chief Operating Officer and is entitled to be paid a salary of USD 310,000 per annum. It is anticipated that these fees will not increase upon appointment as Directors of the Company. Mr. Martino (as an existing Director of the Company) currently receives a director salary of $36,000. Non-executive Director fees will not exceed $500,000 per annum in aggregate (subject to Shareholder approval at the General Meeting). Please refer to Section 12.5 of this Prospectus for further information on the Company's proposed Corporate Governance structure.	12.3.2/ 12.4.12

1.8 The Offers

Question	Response	Section
What is the Public Offer?	The Public Offer is a public offering of a minimum of 140,000,000 new fully paid ordinary Shares in the Company at an Offer Price of $0.10 per Share to raise a total of $14,000,000 (the "**Minimum Subscription**") with the ability to offer up to 170,000,000 new fully paid ordinary Shares in the Company at an Offer Price of $0.10 per Share to raise a total of up to $17,000,000 (the "**Maximum Subscription**").	2
What are the Transaction Offers?	The Transaction Offers are made to the Vendors, the Noteholder and those entitled to the Options. You should not complete an Application Form in relation to the Transaction Offers unless specifically directed to do so by the Company.	2
What is the purpose of the Public Offer?	The purpose of the Public Offer is: • to fund the ongoing immediate working capital needs of the Company and direct project costs of the Company; • to raise primary capital in order to strengthen the Company's balance sheet and provide financial flexibility to pursue its identified growth opportunities and objectives as set out in this Prospectus; • to provide a liquid market for shares and an opportunity for others to invest in the Company; • to provide SPG with the benefits of an increased profile that arises from being a listed public company; and • to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules. The Company currently intends to apply funds raised from the Public Offer over the first fifteen months, following reinstatement of the Company to quotation on the official list of ASX, in the manner set out in the table in Section 2.7.	2
What are the purposes of the Transaction Offers?	The primary purposes of the Transaction Offers are to facilitate the completion of the Acquisition and to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued under the Transaction Offers.	3
What are the conditions of the Offers?	Completion of each of the Offers is conditional upon the Company's Shareholders approving the respective resolutions in order to complete the Acquisition, the Company receiving conditional approval for the re-quotation of the Company's Shares by the ASX and the Company completing the Public Offer. Please refer to Section 3 for further details about Shareholder approvals.	2
How will the proceeds of the Offer be used?	The proceeds of the Public Offer together with existing cash reserves will be used to: • fund work programmes on current projects; • fund the evaluation of new projects; • provide working capital of the Company; and • fund the costs of the Acquisition and the Offers.	2

Question	Response	Section
What will be the capital structure of the Company on completion of the Offer?	The capital structure of the Company following completion of the Offers (assuming full subscription) is summarised below:	

Minimum Subscription (140,000,000)	Number of Shares	MUI Ownership (%)
Pre 1:50 Consolidation		
Current MUI Shareholders (pre-Consolidation)	3,693,857,804	100.00
Current MUI Shareholders (post-Consolidation)	73,877,160	100.00
Post 1:50 Consolidation		
Current MUI Shareholders (post-Consolidation)	73,877,160	7.20
Issued Pursuant to Public Offer (Minimum Subscription)	140,000,000	13.65
Issued pursuant to Vendor Offer	798,647,010	77.88
Issued pursuant to the Conversion Offer	13,000,000	1.27
Total	**1,025,524,170**	**100.00**

Maximum Subscription (170,000,000)	Number of Shares	MUI Ownership (%)
Pre 1:50 Consolidation		
Current MUI Shareholders (pre-Consolidation)	3,693,857,804	100.00
Current MUI Shareholders (post-Consolidation	73,877,160	100.00
Post 1:50 Consolidation		
Current MUI Shareholders (post-Consolidation)	73,877,160	7.00
Issued Pursuant to Public Offer (Maximum Subscription)	170,000,000	16.11
Issued pursuant to Vendor Offer	798,647,010	75.66
Issued pursuant to the Conversion Offer	13,000,000	1.23
Total	**1,055,524,170**	**100.00**

Question	Response	Section
Will the Shares be listed?	Within seven days of the date of the Prospectus, the Company will make an application to the ASX for re-admission to the Official List of ASX and Official Quotation of the Shares. Completion of the Offers is conditional on the ASX approving this application. If approval is not given within three months after such Application is made (or any longer period permitted by law), the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	2

Question	Response	Section
Is the Public Offer underwritten?	The Public Offer is not underwritten. Cedrus Investments Limited is entitled to a fee of 4% of the dollar amount of shares issued to investors as a direct result of their services (provided Minimum Subscription is met). The Company anticipates that it will make this payment, assuming Minimum Subscription is obtained.	12.3.5/ 12.5.13
Who can participate in the Public Offer?	The Public Offer is open to Australian and New Zealand residents and institutions and certain other exempt investors where not prohibited by law.	2
How do I apply for Shares?	By submitting the valid Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out on the Application Form. To the extent permissible by law, an Application by an Applicant under the Offers is irrevocable.	13
What is the minimum Application under the Offer?	Applicants must apply for a minimum of 20,000 Shares representing a minimum investment of $2,000.00. Applicants applying for additional Shares must apply for Shares in multiples of 2,000 Shares (representing a further investment of $200.00).	13
What is the allocation policy?	All decisions regarding the allocation of Shares under the Offers will be made by the Company. The Company reserves the right, in its absolute discretion, to allot the Shares applied for under any Application under the Offer in full or in the event of an over subscription, to scale back any Application, to allot any lesser number or to decline any Application. The Company may in its absolute discretion give preference to certain investors in accepting Applications under the Offer. Where possible, the Company intends to provide existing Shareholders of the Company with a preference to apply for the Public Offer taking into account the register and ASX requirements. Allocation of the Transaction Offers is guaranteed subject to receiving necessary Shareholder approvals.	13
Is there any brokerage, commission or stamp duty payable by the Applicants?	No brokerage, commission or stamp duty is payable by Applicants on Shares allotted under the Offers.	N/A
What are the tax implications of making an investment in the Company?	The taxation implications of investing in the Company will depend on an investor's individual circumstances. Applicants should obtain their own tax advice prior to making an investment.	N/A
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offers at any time before the issue of Shares or Options to successful Applicants. No Shares or Options will be issued until the conditions to the Acquisition are satisfied. If the Offers do not proceed, the Share Registry, your Broker or the Company will refund Application Monies. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offers.	2
Will I receive dividends?	The Company does not currently have a dividend policy. The board will make a determination in its discretion in relation to the payment of any future dividends, depending on the Company's performance.	N/A
How can further information be obtained?	If you require assistance or additional copies of this Prospectus, please contact the Company. For advice on the Offers, you should speak to your stockbroker, accountant or other professional financial adviser.	13
Contact details	For contact details, refer to the Corporate Directory.	Page 6

2. Details of the Offers

2. Details of the Offers

2.1 The Public Offer

The Public Offer is a public offer of a minimum of 140,000,000 new fully paid ordinary Shares in the Company at an offer price of $0.10 per Share to raise a total of $14,000,000 (the "**Minimum Subscription**"); with the ability to accept oversubscriptions of a further 3,000,000 new fully paid ordinary Shares in the Company at an Offer Price of $0.10 per Share to raise a total of up to $17,000,000 (the "**Maximum Subscription**").

If the Minimum Subscription of the Public Offer is not reached within three months after the date of the Prospectus, no Shares will be issued and Application monies will be refunded as soon as is practicable in full, without interest. In addition, the Company will not be in a position to complete its acquisition of SPG.

2.2 Disclosure of Transaction Offers

The following Transaction Offers (the Vendor Offer, Conversion Offer and Option Offer) are available only to the respective offerees of such Offers and are not available for subscription to the general public. A personalised Application Form in relation to the relevant Offer along with a copy of this Prospectus shall be provided to the relevant offerees. The securities subscribed for under these Transaction Offers may be subject to escrow restrictions imposed by Chapter 9 of the ASX Listing Rules.

The Board has chosen to provide details of these Transaction Offers in order to remove the need for an additional disclosure document to be issued upon the sale of any Shares which are issued in accordance with the terms and conditions of the relevant Transaction Offer.

Brief details of the Transaction Offers are located in Sections 12.4.16 – 12.4.17.

Vendor Offer

An offer of 798,647,010 Shares to the Vendors in relation to the Acquisition (the "**Vendor Offer**").

The Vendor Offer is an offer of up to 798,647,010 Shares to the Vendors (the "**Vendor Shares"**). On 29 January 2016 the Company and the Vendors entered into the Share Exchange Agreement, the material terms of which are summarised at Section 12.3.1 of this Prospectus.

Accordingly, the Company is offering the Vendor Shares to the Vendors in satisfaction of the terms of the Share Exchange Agreement.

Conversion Offer

An offer of up to 13,000,000 Shares to the Noteholder (the "Conversion Offer").

The Conversion Offer is an offer of up to 13,000,000 Shares to the Noteholder ("Conversion Shares"). The Company is offering the Conversion Shares to the Noteholder in satisfaction of the terms of the Convertible Note, the terms of which are summarised in Section 12.4.16 of this Prospectus.

Option Offer

An offer of Options is to be made to (among others) employees and consultants of the Company under the terms of a Stock Incentive Plan (the "**Option Offer**") the details of which are set out in the Notice of Meeting and at Section 12.4.17 of this Prospectus.

2.3 The Offers Are Conditional

The Offers under this Prospectus are conditional upon a number of events occurring, including:

- Shareholders approving the Acquisition and approving all of the resolutions interdependent on the Acquisition put to them at the General Meeting;
- ASX confirming the Company's compliance with Chapters 1 and 2 of the ASX Listing Rules;
- ASX approving quotation of the Shares; and
- Completion of the acquisition of SPG on the terms and conditions summarised in Section 12.3.1.

If all of the conditions specified in the Share Exchange Agreement are not satisfied within three (3) months from the date of the Prospectus, no Shares will be issued and Application Monies will be refunded as soon as is practicable in full, without interest.

2.4 Investment Highlights

The Directors are of the opinion that the following are the key highlights of the Public Offer.

Through the acquisition of SPG:

- the Company will acquire a producing oil and gas asset in the Republic of Tajikistan;
- the Company will acquire an interest in an exploration prospect in the Republic of Georgia;
- the Company will have the benefit of a series of MOUs, cooperation agreements and other such early stage documentation relating to a

series of production and exploration assets in Tajikistan and East Siberia, including the Taas- Yuriakh Project;

- the projects are well located with respect to international energy markets, in particular the

  growing energy markets of Eastern and Southern Asia; and

- the Proposed Directors anticipate that its revenue will increase after the Acquisition as a result of oil and gas production in Tajikistan (expected in quarter 2 of 2016).

2.5 Investment Risks

An investment in the Company has similar general risks to those associated with any share market investment. In addition, there are a number of business risks that are specific to an investment in the Company. A description of these risks is set out in Section 4 of this Prospectus.

Before deciding to invest in the Company, Applicants should read the Prospectus in its entirety and consider the risk factors that could affect the operating and financial performance of the Company.

This is a highly speculative investment and investors should refer to, and consider carefully, the Risk Factors outlined in this Prospectus at Section 4 prior to making an investment decision. An investment in the Company therefore involves a number of risks and consequently such an investment must be taken having paid full regard to the risks involved to the security of any capital invested.

The Directors are of the opinion that the following are the key risks of making an investment in the Company. Please refer to Section 4 of this Prospectus for more detail on these key investment risks and information on other risk factors which may affect the value of any subscription for securities in the Company based on the operations and business of SPG.

Oil and Gas Price Volatility

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

Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil and gas, may have a material adverse effect on the Company's business, financial condition and results of operations.

Country Risk

Operating in foreign countries has inherent risks which may impact adversely on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

The following risks are specifically noted:

- changes in government policies;
- economic considerations;
- legal considerations;
- foreign investment requirements;
- challenges to the ownership or nature of titles and other rights;
- devaluation or appreciation of currencies; and
- timing considerations.

Exploration and Development Risks

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;

- access to adequate capital for project development;

- the design and construction of efficient development and production infrastructure within capital expenditure budgets;

- securing and maintaining title to interests;

- obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;

- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;

- whether or not income will result from projects undergoing exploration and development programmes depends on successful exploration and establishment of production facilities;

- factors including costs, actual oil and gas reserves and resources, grade, transportation and reliability and commodity prices affect successful project development and operations;

- exploration and production activities carry risk, as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drilling rigs and/or other equipment;

- oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosions, industrial disputes, cave-ins, unexpected shortages or increases in the cost of consumables, spare parts, plant and equipment, mechanical failure and breakdown, blow outs, environmental hazards such as accidental sour gas releases and spills, ruptures, discharge of toxic gases or geological uncertainty.

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

2.6 Purpose of the Offers

The principal purpose of the Offers is to complete the Acquisition and to raise funds:

1) to ensure the viability of the Company's business following the Acquisition of SPG;

2) for exploration and/or development work programmes in relation to the Tajikistan and Georgia oil and gas Projects;

3) for evaluation of additional project opportunities;

4) for administration and for the costs of the Offers and the Acquisition; and

5) for general working capital.

A summary of the Tajikistan, Georgia and potential East Siberia oil and gas projects is contained in Section 10 of this Prospectus and the Independent Geologist's Report on Block XI ^{G}, Georgia is contained in Section 11.

2.7 Proposed Use of Funds

The Public Offer will raise a minimum of $14,000,000 on the Minimum Subscription with the ability to offer up to $17,000,000 on the Maximum Subscription basis before costs.

The funds raised from the Public Offer are currently intended to be used as set out in the Section above.

The following is a summary of the Company’s proposed funding and expenditure over approximately 15 months post Completion of the Acquisition under the Minimum Subscription scenario and Maximum Subscription scenario:

	Public Offer	
	Minimum $14,000,000	Maximum $17,000,000
Cash at bank	$	$
- MUI Cash at Bank - SPG Cash at Bank	20,000 125,000	20,000 125,000
- Public Offer	14,000,000	17,000,000
Total funds budgeted to be available over the next 15 months:	**14,145,000**	**17,145,000**
Committed expenditure: - Work programme on current projects	4,558,521	4,558,521
- Capital Costs associated with current projects (see sections 9.2, 9.4, 10.1.3 and 10.2.4)	3,616,902	3,616,902
Costs associated with the acquisition of new projects (see section 9)	-	2,880,000
Estimated costs of Offers (see section 12.5.13)	990,000	1,100,000
Budgeted administration, finance and operating costs	3,479,577	3,489,577
Total funds budgeted to be used over next approximate 15 months:	**12,645,000**	**15,645,000**
Working Capital	1,500,000	1,500,000

Whilst the Proposed Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its current stated objectives, investors should be aware that the Company may use and expend its cash reserves more quickly than contemplated.

The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. The exact timing of the implementation of any programme is also dependent on weather, conditions for drilling and the timely availability of drilling and ancillary equipment as well as government permits and approvals.

The use of further equity funding or share placements (subject to any necessary shareholder approvals) will be considered by the Directors where it is appropriate to accelerate a project.

The Company will provide details of its actual expenditure in its periodic reports and as otherwise required by the ASX Listing Rules.

2.8 Capital Structure and Ownership

Should the Acquisition be approved by the Shareholders and, following satisfaction of all other conditions to the Acquisition (including the Consolidation), the Company will issue 798,647,010 Shares (on a post-Consolidation basis) to the Vendors. The effect of the Consolidation, the issue of the Acquisition Shares, the issues of Shares under the Public Offer, conversion of the Convertible Note and issue of Options is set out in the table below:

Current issued share capital (pre-Consolidation)	Current issued share capital (post-Consolidation)	Conversion of Convertible Note	Shares to be issued pursuant to the Vendors	Public Offer (Minimum Subscription)*	Pro-forma total issued share capital (Minimum Subscription)	Public Offer (Maximum Subscription)**	Pro-forma total issued share capital (Maximum Subscriptions)
3,693,857,804	73,877,160	13,000,000	798,647,0101	140,000,000	1,025,524,170	170,000,000	1,055,524,170

Options (pre-Consolidation)	Options (post-Consolidation)	Options to Directors and Proposed Directors	Exercise Price ($)	Expiry	Pro-forma total number of Options
50,000,000	1,000,000	-	0.05	3 December 2016	1,000,000
-	-	6,250,000	0.125	Five years from the date of issue	6,250,000
-	-	10,000,000	0.125	Five years from the date of issue	10,000,000

*In the case of the Company fulfilling the Minimum Subscription under the Public Offer, following the Acquisition the Vendors will, in aggregate, own 77.88% of the Company's issued share capital post Public Offer.
**In the case of the Company fulfilling the Maximum Subscription under the Public Offer, following the Acquisition the Vendors will in aggregate, own 75.66% of the Company's issued share capital post Public Offer.

2.9 Applications

Completed Application Forms, together with the full amount of Application Monies payable, may be lodged at any time after the date of this Prospectus but no later than the Closing Date. For information as to how you may accept the Offers refer to Section **Error! Reference source not found.** of this Prospectus.

The Company reserves the right to vary the Closing Date without prior notice; which may have a consequential effect on the other dates. Applicants are therefore urged to lodge their Application Forms as soon as possible.

Vendors, offerees of Options and the Noteholder will receive personalised Application Forms for completion of their respective Applications. No money is payable by the Vendors or the Noteholder.

2.10 Application Money Held in Trust

Application Monies will be held in trust in a subscription account until allotment. The subscription account will be established and kept on behalf of the Applicants until allotment of the Shares to those Applicants.

In the event that an Applicant is not issued with Shares in full satisfaction of the Application Monies provided, the relevant Application Monies will be refunded without interest.

2.11 Allotment

Under the current indicative timetable, the Shares are expected to be issued on 17 March 2016 and holding statements despatched on 22 March 2016 (such indicative timetable being subject to change without notice) (see the Indicative Timetable on page 9 of this Prospectus).

It is the responsibility of Applicants to confirm the number of Shares allotted to them prior to trading in the securities. Applicants who sell Shares before they receive notification of the number of securities allocated to them do so at their own risk.

If an Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as a valid Application. The Directors' shall decide whether or not to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the sum of the cheque for the Application Monies.

2.12 ASX Listing

Within 7 days after the date of this Prospectus, the Company will apply to ASX for the Shares issued under this Prospectus to be admitted to quotation.

If the Shares are not admitted to quotation within 3 months after the date of this Prospectus, all Application Monies will be refunded without interest.

2.13 Recent Market Prices of Shares on ASX

The lowest and highest market sale price of, the Company on ASX during the 12 months, 3 months and 1 month immediately preceding the date of this Prospectus are set out in the table below:

Timeframe	High	High (adjusted for Consolidation) (approximate)	Low	Low (adjusted for Consolidation) (approximate)
12 months	$0.001	$0.05	$0.001	$0.05
3 months	$0.001	$0.05	$0.001	$0.05
1 month	$0.001	$0.05	$0.001	$0.05

2.14 CHESS and Issuer Sponsored Holdings

The Company participates in the security transfer system known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Under CHESS, Applicants will not receive a share certificate but will be issued a statement of holding of shares.

If you are broker sponsored, and you are allocated Shares under the Public Offer, ASTC will send you a CHESS holding statement. The CHESS holding statement will set out the number of Shares issued to you under this Prospectus and provide details of your holder identification number and the participant identification number of the sponsor. If you are registered on the issuer sponsored sub-register, and you are allocated Shares, your statement will be despatched by the Share Registry and will contain the number of Shares issued to you under this Prospectus and a security holder reference number.

A CHESS statement or issuer-sponsored statement will routinely be sent to security holders at the end of any calendar month during which the balance of their security holding changes. Security holders may request a statement at any other time. However, a fee may be charged for additional statements.

If investors have enquiries about CHESS, they should contact their broker or ASX.

2.15 Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus (and the accompanying Application Form) does not constitute an offer of, or invitation to subscribe for, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Where this Prospectus is available to persons domiciled in a country other than Australia, and where that country's securities code or legislation requires registration, this Prospectus is provided for information purposes only. No action has been taken to register or qualify this Prospectus or to otherwise permit a public offering of Shares and/or Options outside of Australia.

2.16 Taxation Implications

Applicants should be aware that there may be taxation liabilities arising from the subscription for Shares New Options and the sale of those Shares and Options.

For this reason, it is very important that Applicants consult their own taxation or other advisers in relation to the taxation laws and regulations applicable to their personal circumstances. The Company and its officers accept no liability or responsibility in respect of any tax consequences connected with an investment in Shares or Options or the sale of those Shares or Options.

2.17 Share Ranking

The Shares will be issued fully paid and will rank pari-passu with the Existing Shares of the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 12.4 of this Prospectus.

2.18 Option Rights

A summary of the terms of the Options is set out in Section 12.4.17 and 12.4.19 of this Prospectus.

2.19 Restricted Securities

Subject to the Company's Shares being re-instated to quotation, some of the Shares to be issued pursuant to the Acquisition may be subject to restriction agreements in accordance with the ASX Listing Rules.

The ASX may, in its absolute discretion, impose an escrow for a period up to 24 months from the date of issue of some or all of the Shares and the Company shall comply with any necessary and appropriate escrow requirements as stipulated by the ASX.

2.20 No Forecasts

The business of oil and gas exploration, appraisal and development is speculative where there are no proved reserves and there are significant uncertainties associated with forecasting revenues and expenses of such operations. Accordingly, the Directors believe that reliable forecasts cannot be prepared and forecasts have therefore not been included in this Prospectus.

3. Conditions to Offers

3.1 Conditions

The Offers are conditional upon each of the matters referred to below being satisfied:

- Shareholders approving all of the resolutions put to them at the General Meeting of the Company which approve and/or are interdependent with the Acquisition;
- ASX approving the quotation of the Shares;
- the Company complying with Chapters 1 and 2 of the ASX Listing Rules; and
- the Acquisition of SPG by the Company on the terms and conditions summarised in Section 12.3.1.

The meeting of each of the conditions above is a requirement for the allotment of Shares and Options under this Prospectus. In the event that all of these conditions are not met within three (3) months of the date of this Prospectus, all Application Monies will be returned to Applicants without interest as soon as possible thereafter.

3.2 Shareholder Approval

A General Meeting of the Company is to be held on 18 February 2016, at which a number of resolutions in connection with the Offers and the Company's Acquisition of SPG will be put to the Shareholders. The Offers pursuant to this Prospectus are subject to and conditional upon Shareholders passing each of the resolutions proposed at the General Meeting.

The relevant resolutions proposed at the General Meeting are:

- approval of a new constitution of the Company;
- approval of the Acquisition of all the issued capital of SPG;
- the Consolidation of the Existing Shares on a 50 for 1 basis;
- approval of the issue of the Shares and Options pursuant to the Offers under this Prospectus;
- approval of change of activities of the Company from film distribution to oil and gas business operations;
- the election of Proposed Directors;
- the change of the name of the Company from MUI Corporation Limited to "Skyland Petroleum Limited";
- the conversion of the Convertible note to Roadhound Electronics Pty Limited through the issue of 13,000,000 Shares (on a post-Consolidation basis); and
- the approval of a Stock Incentive Plan (and the issue of Options to Non-Executive, proposed Non-Executive and proposed Executive Directors).

3.3 Chapters 1 & 2 of the Listing Rules

The Company seeks to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Compliance with the admission requirement involves, amongst other things, the following:

- issuing a Prospectus;
- meeting the spread requirements under Guidance Note 12, being:
  - at least 400 holders each with a parcel of the main class of securities with a value of at least $2,000; or
  - 350 holders with a parcel of securities with a value of at least $2,000, and persons who are not related parties must hold at least 25% of securities quoted.
- meeting the capital composition requirements permitting the issue of shares beneath a value of $0.20 under Guidance Note 12, being:
  - the issue of the Shares at above $0.02 per share;
  - shareholder approval for the issue of shares at $0.10 (to be approved under Resolution 4 of the Notice of General Meeting; and
  - waiver of the "20 cents" capital composition rule from the ASX (which has been obtained by the Company)
- meeting the ASX Listing Rules assets test.

Shareholders should be aware that following the General Meeting, the Company may be suspended by the ASX until it has re-complied with Chapters 1 and 2 of the ASX Listing Rules, as summarised above. It is the

Company's intention to meet these requirements as soon as practicable.

Further, prospective investors should be aware that the ASX will not quote the Shares issued under this Prospectus until such time as the Company complies with Chapters 1 and 2 of the Listing Rules and as such there is a risk that the Shares will not be able to be traded for some time and the Company cannot guarantee that the Shares will be publicly traded at all.

As such investors should be aware that the Shares may not be allotted at all and, in such case, the Company shall then return any Application Money to the relevant Applicants without interest.

3.4 ASX Approval

As stated above, the Offers are conditional upon the Company and its Shares being reinstated to quotation on the Official List of ASX. This condition will be deemed to be satisfied upon the Company receiving a letter from ASX confirming that ASX sees no impediment to the Company and its Shares being reinstated to quotation on the Official List of ASX.

4. Risk Factors

4. Investment and Business Risk Factors

4.1 General

Shareholders should be aware that if the Acquisition proceeds, the Company will be changing the scale and nature of its activities to that of an oil and gas company which is subject to various risk factors including the risk that investors may lose some or all of their investment. Based on the information available, a non-exhaustive list of risk factors are as follows.

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 Enlarged Company and the value of the Company's securities.

4.2 Specific Risks

Future Capital Needs

Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing shareholders, the percentage ownership of shareholders may be reduced. Shareholders may experience subsequent dilution. There can be no guarantee that any capital raisings will be successful.

The funds raised under this Prospectus will enable the Company to perform the following activities in relation to its Georgian projects:

(i) to acquire the project interest (being 20% of the PSC) through acquisition cost funding; and

(ii) provide an equity contribution to the minimum work programme including drilling, testing and completion of the Kumisi #2 Well.

The funds raised under this Prospectus will enable the Company to perform the following activities in relation to its Tajikistan projects:

(i) geophysical logging (of existing well bores);

(ii) instillation of upgraded pumps and related equipment;

(iii) well-stimulation (including acidisation); and

(iv) potential short-reach radial completion.

It is the view of the Proposed Directors that completion of these activities may lead to the practical commercialisation of the projects of the Company.

Further funding may be required by the Company in the event costs exceed the Company's estimates or revenues do not meet estimates, to support its ongoing activities and operations, and to take advantage of opportunities for acquisitions, joint ventures or other business and technology opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

Exploration

Oil and gas exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable oil and gas resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

Exploration Costs

Exploration expenditure estimates are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Country Risk

The Company's operations initially will predominantly be in the states of the fSU whose economies are subject to many global and internal forces beyond the control of the Company. The Company and its operations may be impacted by changes in the general economic and political climate in the jurisdictions in which the Company operates and on a global basis that could impact on economic growth, the reformation of government structure or industry, oil and gas prices, interest rates, the rate of inflation, taxation and tariff laws and domestic security which may affect the value and viability of any oil and gas activity conducted by the Company.

Operating in foreign countries has inherent risks which may impact adversely on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

The following risks are specifically noted:

Changes in government policies

- Industry is subject to the policies which are implemented by the relevant governments from time to time. These policies may have a material impact on the business of the Company. These governments may, for instance, withdraw subsidies or forms of preferential treatment such as tax benefits or favourable financing arrangements.

Economic considerations

- It is unclear how future economic reforms and macroeconomic measures to be adopted by governments will affect the development of a country's economy. Further, there can be no assurance that such measures will be applied consistently and effectively or that the Company will be subject to such reforms. The business of the Company may be adversely affected by any reform.

Legal considerations

- Statutes, regulations and government policies are subject to change from time to time, as is the interpretations of statutes and regulations and the application of policy. Such uncertainties may affect the Company's operations and accordingly, its profitability.

Foreign investment requirements

Many governments have foreign exchange controls which need to be considered as far as repatriation of funds to Australia and elsewhere is concerned. These controls may have an adverse effect on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

Challenges to the ownership or nature of titles and other rights

- The Company may potentially be exposed to challenges to the ownership or nature of titles and other rights by its partners, government authorities or third parties.

Devaluation or appreciation of currencies

- The external value of the various currencies is affected by changes in policies of the government and to international economic and political developments. In addition, financial markets in many fSU countries have in the past experienced severe volatility. As a result, some fSU currencies have been subject to significant devaluation from time to time. Movements in the value of currencies could have an adverse effect on the Company's operations and accordingly its profitability.

Timing considerations

- It may take many years to get from a discovery to extraction of an oil and gas asset. As such, there is a risk that the initial investment involved in discovery will not get to the exploitation stage. Such uncertainties as to timing may affect the Company's operations and accordingly its profitability.

Lack of Infrastructure in Tajikistan

- Tajikistan is dependent upon cooperation of neighbouring countries in its access to world markets. This dependence may lead to issues for the Company in importing equipment and services as well as during the export of products. There are limited refining capabilities in the country and consequently crude oil products are likely to require export to regional refineries or to world markets.
- The Company can give no guarantees that any export will be permitted, in whole or in part, by such neighbouring countries and/or the levy of additional taxes being imposed in such circumstances which may be at prices substantially less than world market prices.
- The gas infrastructure in Tajikistan is poorly developed and despite the existence of pipelines it is possible that any such infrastructure would not be accessible to the Company on attractive commercial terms.
- The export of gas in this case to world markets (if commercially warranted) may require access to pipelines and infrastructure in neighbouring countries which may not be given (or may be given on terms which are not financially optimal for the Company's operations).

Tajikistan Legal and Regulatory Framework and Taxation Risks

- In 2007 (with some amendments in 2008) the government of Tajikistan introduced production sharing legislation. Given that the legal and regulatory framework for oil and gas is emerging in the country, there are risks for investors where it is possible that the terms of any PSC, IOA or other material contract to which the Company is a party may be challenged, additional taxes imposed or found to be in conflict with other local laws and regulations.

- Such legal and/or regulatory frameworks may lead to potential disputes between the Company and relevant authorities (including Tajik tax authorities) and this risk may result in a material adverse effect on the Company's overall financial performance. There is also a risk of currency repatriation from Tajikistan through the use of local banking channels.
- Similar to the legal and regulatory framework (as discussed, above) the Tajik taxation system is also at an early stage of development and, with evolving tax legislation this poses a risk to the Company of changing interpretations of the law and inconsistent enforcement actions at both local and state levels.
- The existence of tax declarations and other legal compliance areas impose risks in Tajikistan above those which may be found typically in countries with more developed tax regimes. Such factors,including any alterations to the existing tax legislation and/or tax rates may have a material adverse impact upon the overall financial performance of the Company.
- With particular reference to the Kyzyl-Tumshuk IOA (refer to Section 10), the Company draws the attention of investors that Naftugaz, as a state company, has all rights to operations on the field and these rights can be enjoyed by SPG under the IOA. No further approvals are necessary except as in the event that as yet unplanned extensions to the field are to be agreed which may impinge on land requiring negotiation with the landowner. At which point, an established system exists in Tajikistan for such negotiations and approvals. The current intention of SPG is to work within the field limits and as such, no other approvals are deemed necessary.

Georgia

Although Georgia is enjoying a period of relative political stability there can be no guarantee that the political parties and factions in Georgia will continue to work together and agree on material policy decisions.

Furthermore, Georgia may experience the effects of disturbances or hostilities in surrounding regions such as Abkhazia, South Ossetia and potentially Adjaria, in addition to the effects of regional policies of neighbouring countries such as Russia, Iran, Armenia and Turkey.

In 2008, Georgia became engaged in a brief armed conflict with Russia over two break-away regions, South Ossetia and Abkhazia. Following an internationally sponsored ceasefire, both South Ossetia and Abkhazia were recognized as independent countries by Russia and have largely remained de facto separated from Georgia's jurisdiction, with a substantial Russian military presence on their territories.

Georgia currently enjoys good relations with its neighbours and while SPG's assets are not located on or near to areas within Georgia that have been involved in such disturbances or hostilities, Georgia could be affected by military action taken in the region, and the effect such military action may have on the Georgian economy, political stability of Georgia, or the business, operations and prospects of SPG cannot be predicted.

In addition, the laws and regulations of Georgia relating to foreign investment, petroleum, sub-soil use, licensing, companies, tax, customs, currency, banking and anti-monopoly are still developing and, in some cases, uncertain. Many such laws provide substantial discretion in their application, interpretation and enforcement. Although Georgia has made significant progress on the reform of its judiciary, the judicial system may not be fully immune from outside social, economic and political forces.

fSU Operational Risk

The fSU countries in which the Company will, following the Acquisition, conduct operations in are primarily former constituent republics of the Soviet Union. Due to their respective recent independence during the early 1990s this poses a risk for the Company that such jurisdictions may be subject to instability (political, economic, or otherwise).

Risks include, among other matters:

- terrorist attacks or incidences affecting the Company's assets and ability to do business in these regions;
- civil disturbances;
- changes in crude oil and natural gas exportation and transportation regulations;
- imposition of additional obligations/restriction on investors;
- local currency devaluations; and
- nationalisation or expropriation of the Company's assets.

As such, investors are advised to be aware of the risks of investing in the Company given its operations in these areas.

It is brought to the attention of investors that, in particular, Tajikistan borders Afghanistan which is a country prone to political and military instability. Such instability may have an adverse affect on the ability of the Company to conduct operations in countries in and around Afghanistan (including Tajikistan) as well as an adverse effect on the willingness of debt and equity providers to provide ongoing financing to the Company moving forward.

International Operations (Generally)

International operations are subject to a wide variety of uncertainties: including (but not limited to) political, economic and other risks which may include: terrorism, revolution, border disputes, expropriation, renegotiations or modifications of existing contracts, import, export and transportation regulations and tariffs, taxation policies, including royalty and tax increases and retroactive tax claims, exchange controls, limits on allowable levels of production, currency fluctuations, labour disputes and other uncertainties arising out of foreign government sovereignty over the Company's international operations.

Exploration and Development Risks

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- securing suitable plant and equipment, particularly given equipment utilisation rates are high in the current period of global exploration/production activity, hence competition for such equipment may also be high; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programmes depends on successful exploration and establishment of production facilities. Factors including costs, actual oil and gas reserves and resources, grade, transportation and reliability and commodity prices affect successful project development and operations.

Exploration and production activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drilling rigs or other equipment.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosions, industrial disputes, cave-ins, unexpected shortages or increases in the cost of consumables, spare parts, plant and equipment, mechanical failure and breakdown, blow outs, environmental hazards such as accidental sour gas releases and spills, ruptures, discharge of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

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

In addition, the Company will be subject to multi-jurisdictional compliance with governmental regulations in relation to licence conditions, the environment and operational conduct.

Oil and Gas Price Volatility

If the Company achieves success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company.

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

Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil and gas may have a material adverse effect on the Company's business, financial condition and results of operations.

Investors should note that the prices in the current oil and gas market are regarded as being low, with little obvious short term indication of recovery. SPG is not involved in any high operating cost projects such as offshore developments.

Investors should be aware that further decreases in oil and gas price levels may ultimately affect the viability of exploration activities within the Company's focus areas, which could result in a negative effect on the Company's future cash flow and the viability of potential future projects, which in turn may affect the value of the Company's Shares

Joint Venture Parties, Contractors and Contractual Disputes

With respect to this issue, the Directors are unable to predict the risk of:

- financial failure or default by a participant in any joint venture to which the Enlarged Company may become a party; or
- insolvency or other managerial failure by any of the operators and contractors used by the Enlarged Company in its exploration activities; or

- insolvency or other managerial failure by any of the other service providers used by the Enlarged Company or its operators for any activity; or
- title and payment obligations.

Under the relevant joint venture agreements and certain other contractual agreements to which the Company may in the future become party, the Company is or may become subject to payment and other obligations. If any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) in the particular areas where such activities are conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment and may delay exploration and development activities.

The oil and gas industry is known for seeing rapid and significant technological advancements and introduction of new technologies relating to drilling or other relevant operations. The Company cannot guarantee that it will be able to respond to the existence of new and emerging technologies which maybe available to its competitors and this may result in a material adverse effect upon the Company's overall financial performance.

Marketability of Production

The marketability and commerciality of oil and gas to be acquired and/or produced by the Company is subject to several factors which include (but are not limited to): reservoir characteristics, market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment, the market price of oil and gas and governmental regulations. Restrictions on the ability of the Company to market the Company's production may have a material adverse effect on the Company's revenues and financial position.

Substitution of Oil and Gas Products as Energy Sources

The Company notes the existence and the development of alternative energy sources acting as substitution products for oil and gas as energy sources.

Such alternative energy sources include renewable energy (e.g. wind power or hydroelectric power), nuclear power, Liquefied Natural Gas ("**LNG**"), Liquefied Petroleum Gas ("**LPG**"), biofuel or biomass. If the costs and commercial prices for such alternative energy sources fall this may have a significant effect upon the Company's overall financial performance and ability to perform as a company operating in the oil and gas industry. The Company can give no guarantee that the Company's products or prospects will remain competitive in the future due to changes in the marketplace.

Landowner Risk

The Enlarged Company may be required to pay compensation to landowners, local authorities, traditional land users and others who have an interest in the area covered by the licences. The Enlarged Company's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of the Enlarged Company's oil and gas operations. If the Enlarged Entity is unable to resolve such compensation claims on economic terms, this could have a materially adverse effect on the business, results or operations and financial condition of the Enlarged Company.

Foreign Exchange Risk

The operations of the Company will initially be in the fSU and the costs of and revenues from operations will be in various local currencies such as the Tajik Somoni, the Georgian Lari as well as the United States Dollar. The Company may deal in other currencies from time-to-time, as appropriate. As the Company's financial reports will be presented in Australian dollars, the Company will be exposed to the volatility and fluctuations of the exchange rate between local currencies, the US dollar and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

Reserves and Resource Estimates

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis the estimates are likely to change. This may result in alterations to development and production plans which may in turn, adversely affect the Company and its operations.

Environmental Risks

The Company's activities will be subject to the environmental risks inherent in the oil and gas industry. The Company will be subject to local environmental laws and regulations in connection with operations it may pursue in the oil and gas industry. Environmental compliance is an ongoing liability of the Company. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

The Company may also become liable for environmental damage caused by previous owners of any subsoil licence areas the Company will hold. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could reduce or eliminate funds available for acquisitions, exploration and development or cause the Enlarged Company to suffer losses.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Retention of Key Business Relationships

The Enlarged Company may rely on strategic relationships with other entities such as joint venture and farm-in parties and also on good relationships with regulatory and governmental departments. It will also rely upon third parties to provide essential contracting services.

While the Company has no reason to believe otherwise, there can be no assurance that the Company's existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance, which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact the Company, its business, operating results and prospects.

Competition

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. In addition, new entrants may commence oil and gas exploration and development in areas where the Company operates. There can be no assurance that the Company can compete effectively with these companies. Competition may also be presented by alternative energy sources.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Insurance

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

Uninsurable Risks

Exploration, development and production operations on oil and gas properties involve numerous risks, including unexpected or unusual geological operating conditions, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. Initially, the Company will not maintain insurance against operational, political or environmental risks.

Taxation Liability Risk

The tax environments of fSU countries are subject to continuous development and can be subject to retroactive change, ambiguity and inconsistent application, interpretation and enforcement which could result in unfavourable changes to the Company's tax position. Non compliance with local laws and regulations as interpreted by local authorities could lead to the assessment of additional taxes, penalties and interest.

In accordance with the directors' ongoing fiduciary duties to the shareholders of the Company, the

Company will structure a number of its operations (financial, professional services, or otherwise) through some low-tax jurisdictions (please refer to the SPG structure chart contained within this Prospectus). Given the current governmental and political focus upon multinational corporations acting both inside and outside of Australia, the Company, following the Acquisition, may be subject to heightened regulatory risk from tax authorities and this may possibly represent a financial risk to Investors receiving Shares under the Offers.

4.3 General Risks

Economic Risks

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

Share 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, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities.

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.

Share Liquidity risk

The Company currently has 3,693,857,804 Shares on issue (on a pre-Consolidation basis), if the Resolutions are approved at the General Meeting, the Company's Shares will be consolidated on a one for fifty basis into approximately 73,877,160 Shares (subject to rounding of fractional entitlements). On Completion, the Company will issue a further 951,647,010 Shares (Minimum Subscription) or up to 981,647,010 Shares (Maximum Subscription) (on a post-Consolidation basis).

A portion of the shares on issue will be subject to escrow restrictions in accordance with Chapter 9 of the ASX. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be tradable freely for a period of time. Conversely, if the Company is successful in achieving some or all of its objectives, this relative lack of liquidity may lead to volatility in the price of the Company's securities.

5. Financial Information

5.1 Background

This Section contains historical and pro forma financial information for MUI Corporation Limited. All information present in this Section should be read in conjunction with this Prospectus, including the Investigating Accountant's Report in Section 6 and the risk factors outlined in Section 4.

5.2 Historical Consolidated Statement of Comprehensive Income of MUI and SPG as at dates indicated

	MUI Audited Year ended 30 June 2015 $	MUI Audited Year ended 30 June 2014 $	MUI Audited Year ended 30 June 2013 $	SPG Audited 19 Feb 2015 to 30 Sept 2015 * $
Revenue	137	1,288	10,621	6
Other income **	-	-	-	1,341,659
Corporate administrative expenses	(375,751)	(477,968)	(534,545)	(1,719,802)
Exploration and evaluation expenditure	-	-	-	(2,377,341)
Impairment of financial asset	(3,487,171)	-	-	-
Finance costs	(45,543)	(42,178)	(28,664)	-
Loss before income tax expense	**(3,908,328)**	**(518,858)**	**(552,588)**	**(2,755,478)**
Other Comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the year attributable to the company	**(3,908,328)**	**(518,858)**	**(552,588)**	**(2,755,478)**

*The Consolidated Statement of Comprehensive Income for SPG is from the period of SPG's inception, commencing 19 February 2015 to 30 September 2015. In addition it includes the loss associated with those SPG subsidiaries incorporated prior to acquisition by SPG from the date of their inception.

**Other income is satisfaction of loan payable to an entity controlled by Dr. David Robson.

5.3 Historical Consolidated Statement of Financial Position of MUI as at dates indicated

	Audited 30 June 2015 $	Audited 30 June 2014 $	Audited 30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents	45,584	242,810	135,379
Trade and other receivables	26,833	22,445	37,798
Financial assets	-	1,040,000	3,524,089
Other current assets	20,000	20,000	35,111
TOTAL CURRENT ASSETS	**92,417**	**1,325,255**	**3,732,377**
NON CURRENT ASSETS			
Financial assets	-	2,435,062	-
TOTAL NON CURRENT ASSETS	**-**	**2,435,062**	**-**
TOTAL ASSETS	**92,417**	**3,760,317**	**3,732,377**
CURRENT LIABILITIES			
Trade and other payables	278,538	83,652	49,032
Convertible Note	616,384	570,842	528,664
TOTAL CURRENT LIABILITIES	**894,922**	**654,494**	**577,696**
TOTAL LIABILITIES	**894,922**	**654,494**	**577,696**
NET ASSETS / (LIABILITIES)	**(802,505)**	**3,105,823**	**3,154,681**
EQUITY			
Issued capital	35,764,430	35,764,430	35,307,863
Option reserve	31,784	52,751	39,318
Accumulated losses	(36,598,719)	(32,711,358)	(32,192,500)
TOTAL EQUITY	**(802,505)**	**3,105,823**	**3,154,681**

5.4 Historical Consolidated Statement of Financial Position of both MUI and SPG as at 30 September 2015 adjusted to reflect the Acquisition, the Public Offer and other material transactions

	Note	MUI	SPG	MUI post Acquisition and Offers	
		Actual Audited As at 30 September 2015 $	Actual Audited As at 30 September 2015 $	Pro-forma Consolidated on Minimum Subscription Basis 30 September 2015 $	Pro-forma Consolidated on Maximum Subscription Basis 30 September 2015 $
CURRENT ASSETS					
Cash and cash equivalents	1	25,710	125,593	13,995,826	16,875,826
Trade and other receivables		37,235	-	37,235	37,235
Financial assets	2	-	-	-	-
Other current assets		20,000	-	20,000	20,000
TOTAL CURRENT ASSETS		**82,945**	**125,593**	**14,053,061**	**16,933,061**
NON CURRENT ASSETS					
Motor Vehicles		-	32,899	32,899	32,899
TOTAL NON CURRENT ASSETS		**-**	**32,899**	**32,899**	**32,899**
TOTAL ASSETS		**82,945**	**158,492**	**14,085,960**	**16,965,960**
CURRENT LIABILITIES					
Trade and other payables	3	374,592	3,011,486	1,942,427	1,942,427
Convertible Note	4	628,425	-	-	-
TOTAL CURRENT LIABILITIES		**1,003,017**	**3,011,486**	**1,942,427**	**1,942,427**
TOTAL LIABILITIES		**1,003,017**	**3,011,486**	**1,942,427**	**1,942,427**
NET ASSETS / (LIABILITIES)		**(920,072)**	**(2,852,994)**	**12,143,533**	**15,023,533**
EQUITY					
Issued capital	5	35,764,430	143	24,430,573	27,310,573
Option reserve		31,784	-	31,784	31,784
Foreign currency translation reserve		-	(97,659)	(97,659)	(97,659)
Accumulated losses	6	(36,716,286)	(2,755,478)	(12,221,165)	(12,221,165)
TOTAL EQUITY		**(920,072)**	**(2,852,994)**	**12,143,533**	**15,023,533**

Notes to the Financial Information

	MUI	SPG	MUI post Acquisition and Offers	
	Actual Audited	Actual Audited	Pro-forma Consolidated on Minimum Subscription Basis	Pro-forma Consolidated on Maximum Subscription Basis
	As at 30 September 2015	As at 30 September 2015	30 September 2015	30 September 2015
	$	$	$	$
Note 1: Cash and Cash Equivalents				
Cash and cash equivalents	25,710	125,593	151,303	151,303
Cash paid for capital in SPG post 30 September 2015	-	-	834,523	834,523
Issue of Shares under Share Placement	-	-	14,000,000	17,000,000
Share Placement costs	-	-	(990,000)	(1,110,000)
	25,710	**125,593**	**13,995,826**	**16,875,826**
Note 2: Financial Assets (current)				
Related Party Loan – AusAsia Energy Pty Limited	3,487,780	-	3,487,780	3,487,780
Provision for Loan	(3,487,780)	-	(3,487,780)	(3,487,780)
	-	**-**	**-**	**-**
Note 3: Trade and Other Payables (current)				
Trade and sundry payables	374,592	1,731,008	2,105,600	2,105,600
Conversion of SPG trade creditors to SPG capital *	-	-	(1,069,560)	(1,069,560)
Related Party loans	-	394,142	394,142	394,142
Conversion of Related Party loan to SPG capital *	-	-	(374,091)	(374,091)
Loan from third party	-	886,336	886,336	886,336
	374,592	**3,011,486**	**1,942,427**	**1,942,427**

*A portion of SPG payables and related party loans has converted to SPG capital post 30 September 2015 and prior to the Acquisition.

Note 4: Convertible Note				
Convertible Note	500,000	-	500,000	500,000
Accrued interest	128,425	-	150,000	150,000
Conversion of Convertible Note	-	-	(650,000)	(650,000)
	628,425	**-**	**-**	**-**

	MUI	SPG	MUI post Acquisition and Offers	
	Actual Audited	Actual Audited	Pro-forma Consolidated on Minimum Subscription Basis	Pro-forma Consolidated on Maximum Subscription Basis
	As at 30 September 2015	As at 30 September 2015	30 September 2015	30 September 2015
	$	$	$	$
Note 5: Issued Capital				
Shares				
73,877,160 MUI ordinary shares (post consolidation) on issue as at 30 September 2015	35,764,430	-	-	-
SPG ordinary shares on issue as at 30 September 2015 / Pro forma ** (1,353,639 shares at an average of $2.01 each)	-	143	2,732,857	2,732,857
Proposed acquisition (post-consolidation):				
798,647,010 ordinary shares issued to Vendors at $0.10 cents pursuant to Acquisition *	-	-	7,387,716	7,387,716
13,000,000 ordinary shares at $0.10 issued to Noteholder	-	-	1,300,000	1,300,000
Proposed Share Placement (post-consolidation)				
Issue of Minimum or Maximum Subscription shares at $0.10 per ordinary share under Share Placement	-	-	14,000,000	17,000,000
Costs associated with Share Placement	-	-	(990,000)	(1,110,000)
1,025,524,170 total (Minimum Subscription) or 1,055,524,170 (Maximum Subscription) MUI ordinary shares on issue post Acquisition, conversion of Convertible Note and Offers	**35,764,430**	**143**	**24,430,573**	**27,310,573**

*The acquisition has been accounted for using the principles of reverse acquisition accounting under AASB 3 – Business Combinations since the substance of the transaction is that the existing shareholders of SPG effectively gain control of MUI. Essentially the price paid for the acquisition of MUI by SPG is the shares currently held by MUI shareholders (73,877,160) by the re-listing price of $0.10, being $7,387,716. For explanation of the accounting treatment refer to the Summary of Significant Accounting Policies (Section 5.5).

**The Issue of shares by SPG post 30 September 2015 and prior to the Acquisition has been included in the pro-forma.

	MUI	SPG	MUI post Acquisition and Offers	
	Actual Audited	Actual Audited	Pro-forma Consolidated on Minimum Subscription Basis	Pro-forma Consolidated on Maximum Subscription Basis
	As at 30 September 2015 $	As at 30 September 2015 $	30 September 2015 $	30 September 2015 $
Note 6: Accumulated losses				
Accumulated losses as at 30 September 2015	36,716,286	2,755,478	2,755,478	2,755,478
Transaction costs relating to SPG capital raising	-	-	454,540	454,540
Conversion of Convertible Note (fair value differential)	-	-	671,575	671,575
Acquisition of MUI – issue of share capital	-	-	7,387,716	7,387,716
Acquisition of MUI – acquisition of net liabilities	-	-	920,072	920,072
Acquisition of MUI – acquisition of option reserve	-	-	31,784	31,784
	36,716,286	**2,755,478**	**12,221,165**	**12,221,165**

5.5 Assumptions Applied in Preparing the Pro-forma Financial Information

The pro-forma financial information has been included for information purposes to reflect the position of the Company on the assumption that the following transactions had occurred as at 30 September 2015:

Significant transactions that have taken place between 30 September 2015 and the date of this Prospectus

SPG has issued the following shares post 30 September 2015:

Reason	No. of SPG shares Issued	Average price per SPG share	Total Value
Settlement of related party loan	115,523	$3.24	$374,091
Settlement of trade payables	325,753	$3.28	$1,069,560
Share based payment in lieu of salary expenses	212,253	$3.61	$766,595
Equity investment of USD585,000	159,900	$5.21	$834,523
Founder shares	540,210	Nil	Nil
Total number of SPG shares issued since 30 September 2015	**1,353,639**		

Transactions that form a part of this Prospectus

- In accordance with the Minimum Subscription and Maximum Subscription, as detailed in this Prospectus, the Company will allot and issue a minimum of 140,000,000 or up to a maximum of 170,000,000 Shares to raise a minimum of $14,000,000 and a maximum of $17,000,000 respectively at $0.10 per Share;
- Capital raising and Admission costs of $990,000 or up to $1,110,000 in raising the minimum or maximum amounts under the Prospectus, respectively;
- Issue of 13,000,000 Shares to the Noteholder in satisfaction of the Convertible Note; and
- Issue of 798,647,010 Shares in MUI to the Vendors in accordance with the Acquisition.

5.6 Summary of Significant Accounting Policies

The following significant accounting policies, which are consistent with the recognition and measurement requirements of Australian Accounting Standards and Interpretations, have been applied in the preparation and presentation of the financial information presented in Section 5 to this Prospectus.

Basis of Preparation

This financial information has been prepared on an accruals basis and is based on historical costs, applying the going concern basis of accounting. All amounts are presented in Australian dollars, unless otherwise noted.

Going Concern

The financial information has been prepared on a going concern basis, notwithstanding the fact that for the period ended 30 September 2015:

- MUI generated a loss after tax of $117,567. As at 30 September 2015 MUI had available cash reserves of $25,710 and negative working capital of $920,072; and
- As at 30 September 2015 SPG had available cash reserves of $125,593 and its current liabilities exceeded its total assets by $2,852,994.

For the 12 months from the date of this report, the Directors have determined that MUI is a going concern based upon a cash flow budget prepared by management. The cash flow budget incorporates a control of costs, as and where appropriate, including the potential to place payments on hold as well as no long term leases, commitments or employee contracts. The Company has, at its discretion, the ability to convert its convertible note to equity and the ability to exercise its security relating to its AusAsia loan (with a cost value of $3,487,780) and liquidate the asset, thereby creating a cash flow. The Company also has the ability of a listed entity to raise capital in the public market.

The Company also has the support of a director and shareholder that will ensure it has adequate working capital for at least 12 months from the date of this report. In addition to this, the Company has received an undertaking in relation to trade and other payables totalling $343,092 as at 30 September 2015 owing to Directors and director related parties confirming that repayment of these amounts will not be required for a period of 12 months from the date of this report unless the Company has sufficient cash flows available.

For the 12 months from the date of this report, the Directors of SPG have determined that SPG is a going concern based upon the following: a) SPG has received written letters of support from its shareholders and investors that they will continue to ensure that SPG will have adequate levels of working capital for a period of at least 12 months from the date of this report, irrespective of whether or not the proposed transaction with MUI Corporation Limited proceeds. The proposed transaction with MUI Corporation Limited, which is currently in a due diligence phase, will enable the raising of $14 million on a Minimum Subscription basis or up to $17 million on a Maximum Subscription basis through this Prospectus on the Australian Securities Exchange.

These financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

Principles of Consolidation, including Reverse Acquisitions of Entities that do not meet the Accounting Definition of a Business

When a transaction involves the transfer of consideration through the issue of share capital, the directors make an assessment of who is the accounting acquirer in the transaction by examining the following indicators of control, post-transaction, including a) the proportion of shareholder representation in the newly merged group from each transacting entity; and b) the ability of that shareholder group to influence control through its power over the governance and operations of the newly merged entity.

When the accounting acquiree does not satisfy the definition of a business, as set out in AASB 3, the acquisition by the acquirer of the non-business entity is treated as a share-based payment and any dilution in the value of equity of the accounting acquirer, plus any further consideration paid for the acquisition including related transaction costs, less the written-down book values of its assets and liabilities consolidated into the merged entity is charged to the profit and loss as a transaction cost. The value of the dilution of equity is calculated at its fair value as at the date of the transaction (when the transaction is contractually completed – its grant date), being the quoted its quoted market value.

Upon consolidation in the newly merged entity, all inter-group balances and transactions between entities in the pro-forma consolidated group, including any unrealised profits or losses, are eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other and short-term highly liquid investments with original maturities of three months or less.

Loans and Receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Oil and Gas Exploration and Evaluation

Exploration and evaluation expenditures are accounted for under the successful efforts method. All other exploration and evaluation expenditures including directly attributable general administration costs, geological and geophysical costs, exploration, seismic and new venture activity expenditures are expensed in the statement of comprehensive income as incurred, except where the expenditure relates to an exploration discovery that a) at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or where: b) a decision on additional major capital expenditure is pending; or c) additional exploration wells or appraisal work is underway or planned; or d) the expenditure is expected to be recouped by future exploitation or sale.

Exploration licence acquisition costs are initially capitalised. For exploration and appraisal wells costs directly associated with drilling the wells are initially capitalised pending evaluation of whether potentially economic reserves of hydrocarbons have been discovered.

When an oil or gas field has been approved for development, the accumulated exploration and evaluation costs are transferred to Oil and Gas Assets — Assets in Development.

Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided prior to the end of the period that are unpaid and arise when there is an obligation to make future payments in respect of the purchase of these goods and services.

Convertible Notes

Convertible notes are recognised when the Company is contractually bound to the instrument.

Convertible notes where the option to convert to equity is in the hands of the note holder are classified as a liability in the statement of financial position and following initial recognition at fair value are accounted for at amortised cost.

Convertible notes where the option to convert to equity is at the discretion of the Company are classified into their debt fair value, with the residual fair value in equity. Where there is no reliable fair value for the debt component, due to a lack of a deep and liquid market for similar debt instruments in the market, all of the convertible note is recorded as a liability at transaction date value and then subsequently measured at amortised cost.

Foreign Currency Translation and Balances

Functional and Presentation Currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Exchange rate differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the

statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed

Tax Losses

Deferred tax assets relating to carry-forward losses are only recognised to the extent that the Company has satisfied all legal and jurisdictional requirements that qualify for their recognition and that the Company can prove that the earning of assessable income to recoup those losses is probable.

Share-Based Payments

Equity-settled share-based compensation benefits may be provided to contractors or employees in-exchange for the rendering of services. The cost of equity-settled transactions is measured at fair value on grant date. Grant date is the date that both contracting parties have a clear understanding of the terms and conditions attached to the share-based payment arrangement.

Fair value is independently determined using quoted market prices, or in the case of unlisted options, using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The cost of the payment is charged to the profit or loss over its vesting period, being the period in which the service (for which consideration is given) is rendered. Where non-market based vesting conditions are not satisfied and the underlying equity instrument lapses, is cancelled or is forfeited, the value of the amount previously charged to the profit or loss is credited back.

No Material Changes to the Company's Financial Position

To the best of the Directors' knowledge and belief, there have been no material items, transactions or events subsequent to 30 September 2015 and not otherwise disclosed in this Prospectus.

William Buck

18 February 2016

The Directors
MUI Corporation Limited
Level 5, 56 Pitt Street
Sydney NSW 2000

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT FOR MUI CORPORATION LIMITED

Introduction

This Investigating Accountant's Report ('the Report") has been prepared at your request for inclusion in the Prospectus ("Prospectus") to be dated on or about 18 February 2016 to be lodged with the Australian Securities and Investment Commission in respect of MUI Corporation Limited's ("MUI") acquisition of Skyland Petroleum Limited ("SPG"). As part of the transaction the following events are expected to occur:-

1. a 50 -1 share consolidation in MUI reducing the share capital of MUI to approximately 73,877,160 Shares;
2. an issue 798,647,010 Shares in MUI to acquire SPG at an issue price of $0.10 per share;
3. the issue of 140,000,000 Shares at $0.10 in MUI to raise a total of $14,000,000 (with an additional 30,000,000 Shares offered for up to $3,000,000 in oversubscriptions); and
4. the issue of 13,000,000 Shares at an issue price of $0.10 per Share for conversion of a convertible note previously issued by the company.

The issue is not underwritten. Expressions and other terminology defined in the Prospectus have the same meaning in this Report.

Basis of Preparation

The Report has been prepared to provide investors with information on the historical results and the financial position of MUI and its controlled entities (the "Group" or the "Company") and to provide investors with a pro-forma statement of financial position of the Group, as at 30 September 2015 adjusted to include funds raised by this Prospectus and related transactions, as referred to in Section 5.4 of the Prospectus.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an expert's opinion with respect to a valuation of the Group or a valuation of the share issue price at $0.10.

William Buck Audit (VIC) Pty Ltd ("William Buck") has not been requested to consider the prospects for MUI Corporation Limited nor the merits and risks associated with becoming a shareholder, and accordingly, has not done so, nor purports to do so. William Buck

CHARTERED ACCOUNTANTS & ADVISORS

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Level 20, 181 William Street
Melbourne VIC 3000

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Hawthorn East VIC 3123

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accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors, including those that specifically discuss the risks that may arise should the transaction not succeed in meeting the minimum fundraising objectives and regulatory approvals thereon accommodating those fundraising objectives, are set out in detail in Section 4 of the Prospectus.

Scope of report

William Buck has been requested to:

a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in Section 5.4 of the Prospectus is not fairly presented in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by MUI Corporation Limited and Skyland Petroleum Group Limited, and

b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in Section 5.4 of the Prospectus is not presented fairly in accordance with the basis of preparation and assumptions applied in preparing the financial information as set out in the note 1a Annexure to this Report and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Group.

The directors of MUI Corporation Limited and Skyland Petroleum Group Limited have prepared, and are responsible for, the historical and pro-forma financial information included in Section 5.4 of the Prospectus.

This Report does not express an audit opinion on the pro forma financial information included in Section 5.4 of the Prospectus.

Conclusions

Historical Financial Information

Based on our audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in Section 5.4 of the Prospectus is not presented fairly in accordance with the recognition and measurement requirements of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by MUI Corporation Limited and Skyland Petroleum Group Limited.

Pro Forma Financial Information

Based on our review, nothing has come to our attention which causes us to believe the pro forma financial information, as set out Section 5.4 of the Prospectus is not presented fairly in accordance with the basis of preparation in the note 1a Annexure to this report and applied in preparing the financial information as set out in the note 1a Annexure to this report with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Group.

Independence

William Buck does not have any interest in the outcome of the listing of the Shares, other than in connection with the preparation of this Report for which normal professional fees will be received. With the exception of this Investigating Accountant's Report, William Buck was not involved in the preparation of any part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Responsibility

Consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears has been given, but should not be taken as an endorsement of the Group or a recommendation by William Buck of any participation in the share issue by any intending investors. At the date of this report our consent has not been withdrawn.

General Advice Limitation

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Dated in Melbourne, Australia this 18th day of February, 2016

Annexure

Notes to the Financial Information

1a. Summary of Significant Accounting Policies

The following significant accounting policies, which are consistent with the recognition and measurement requirements of Australian Accounting Standards and Interpretations, have been applied in the preparation and presentation of the financial information presented in Section 9 to this Prospectus.

Basis of Preparation

This financial information has been prepared on an accruals basis and is based on historical costs, applying the going concern basis of accounting. All amounts are presented in Australian dollars, unless otherwise noted.

Going Concern

The financial information has been prepared on a going concern basis, notwithstanding the fact that for the period ended 30 September 2015:

- MUI generated a loss after tax of $117,567. As at 30 September 2015 MUI had available cash reserves of $25,710 and negative working capital of $920,072; and
- As at 30 September 2015 SPG had available cash reserves of $125,593 and its current liabilities exceeded its total assets by $2,852,994.

The Directors have determined that MUI is a going concern based upon a cash flow budget prepared by management. The cash flow budget incorporates a control of costs, as and where appropriate, including the potential to place payments on hold as well as no long term leases, commitments or employee contracts. The Company has, at its discretion, the ability to convert its convertible note to equity and the ability to exercise its security relating to its AusAsia loan (with a cost value of $3,487,780) and liquidate the asset, thereby creating a cash flow. The Company also has the ability of a listed entity to raise capital in the public market.

The Company also has the support of a director and shareholder that will ensure it has adequate working capital for at least 12 months from the date of this report. In addition to this, the Company has received an undertaking in relation to trade and other payables totalling $343,092 as at 30 September 2015 owing to Directors and director related parties confirming that repayment of these amounts will not be required for a period of 12 months from the date of this report unless the Company has sufficient cash flows available.

For the 12 months from the date of this report, the Directors of SPG have determined that SPG is a going concern based upon the following: a) SPG has received written letters of support from its shareholders and investors that they will continue to ensure that SPG will have adequate levels of working capital for a period of at least 12 months, irrespective of whether or not the proposed transaction with MUI Corporation Limited proceeds. The proposed transaction with MUI Corporation Limited, which is currently in a due diligence phase, will enable the raising of $14 million on a Minimum Subscription basis or up to $17 million on a Maximum Subscription basis through this Prospectus on the Australian Securities Exchange.

These financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

Annexure

Notes to the Financial Information

1a. Summary of Significant Accounting Policies (Continued)

Principles of Consolidation, including Reverse Acquisitions of Entities that do not meet the Accounting Definition of a Business

When a transaction involves the transfer of consideration through the issue of share capital, the directors make an assessment of who is the accounting acquirer in the transaction by examining the following indicators of control, post-transaction, including a) the proportion of shareholder representation in the newly merged group from each transacting entity; and b) the ability of that shareholder group to influence control through its power over the governance and operations of the newly merged entity.

When the accounting acquiree does not satisfy the definition of a business, as set out in AASB 3, the acquisition by the acquirer of the non-business entity is treated as a share-based payment and any dilution in the value of equity of the accounting acquirer, plus any further consideration paid for the acquisition including related transaction costs, less the written-down book values of its assets and liabilities consolidated into the merged entity is charged to the profit and loss as a transaction cost. The value of the dilution of equity is calculated at its fair value as at the date of the transaction (when the transaction is contractually completed – its grant date), being the quoted its quoted market value.

Upon consolidation in the newly merged entity, all inter-group balances and transactions between entities in the pro-forma consolidated group, including any unrealised profits or losses, are eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other and short-term highly liquid investments with original maturities of three months or less.

Loans and Receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Oil and Gas Exploration and Evaluation

Exploration and evaluation expenditures are accounted for under the successful efforts method. All other exploration and evaluation expenditures including directly attributable general administration costs, geological and geophysical costs, exploration, seismic and new venture activity expenditures are expensed in the statement of comprehensive income as incurred, except where the expenditure relates to an exploration discovery that a) at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or where: b) a decision on additional major capital expenditure is pending; or c) additional exploration wells or appraisal work is underway or planned; or d) the expenditure is expected to be recouped by future exploitation or sale.

Exploration licence acquisition costs are initially capitalised. For exploration and appraisal wells costs directly associated with drilling the wells are initially capitalised pending evaluation of whether potentially economic reserves of hydrocarbons have been discovered.

When an oil or gas field has been approved for development, the accumulated exploration and evaluation costs are transferred to Oil and Gas Assets — Assets in Development.

Annexure

Notes to the Financial Information

1a. Summary of Significant Accounting Policies (Continued)

Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided prior to the end of the period that are unpaid and arise when there is an obligation to make future payments in respect of the purchase of these goods and services.

Convertible Notes

Convertible notes are recognised when the Company is contractually bound to the instrument. Convertible notes where the option to convert to equity is in the hands of the note holder are classified as a liability in the statement of financial position and following initial recognition at fair value are accounted for at amortised cost.

Convertible notes where the option to convert to equity is at the discretion of the Company are classified into their debt fair value, with the residual fair value in equity. Where there is no reliable fair value for the debt component, due to a lack of a deep and liquid market for similar debt instruments in the market, all of the convertible note is recorded as a liability at transaction date value and then subsequently measured at amortised cost.

Foreign Currency Translation and Balances

Functional and Presentation Currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Annexure

Notes to the Financial Information

1a. Summary of Significant Accounting Policies (Continued)

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Exchange rate differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed

Tax Losses

Deferred tax assets relating to carry-forward losses are only recognised to the extent that the Company has satisfied all legal and jurisdictional requirements that qualify for their recognition and that the Company can prove that the earning of assessable income to recoup those losses is probable.

Share-Based Payments

Equity-settled share-based compensation benefits may be provided to contractors or employees in-exchange for the rendering of services. The cost of equity-settled transactions is measured at fair value on grant date. Grant date is the date that both contracting parties have a clear understanding of the terms and conditions attached to the share-based payment arrangement.

Fair value is independently determined using quoted market prices, or in the case of unlisted options, using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The cost of the payment is charged to the profit or loss over its vesting period, being the period in which the service (for which consideration is given) is rendered. Where non-market based vesting conditions are not satisfied and the underlying equity instrument lapses, is cancelled or is forfeited, the value of the amount previously charged to the profit or loss is credited back.

No Material Changes to the Company's Financial Position

To the best of the Directors' knowledge and belief, there have been no material items, transactions or events subsequent to 30 September 2015 and not otherwise disclosed in this Prospectus

7. Company Overview

7.1 Background

The historical business operations of the Company have been investment activities in the film industry.

7.2 Corporate Strategy and Objectives

The Company's primary business objectives following the completion of the Acquisition and the Offers is to pursue oil and gas projects in Tajikistan and Georgia, as well as to undertake further acquisitions in the upstream hydrocarbon sector in East Siberia and other jurisdictions.

The Directors consider that the funds to be raised pursuant to the Offers, together with available cash and receivables, will provide sufficient capital to achieve the Company's primary business objectives as set out in this Prospectus.

Please refer to Section 2.7 of this Prospectus for a summary of the Company's currently proposed funding and expenditure over the 15 months' post Completion of the Acquisition.

It is noted that the Company may use and expend its cash reserves more quickly than contemplated. It is noted that programmes and budgets are dependent on results. These programmes can therefore change depending on the results of the work.

The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. The exact timing of the implementation of the programme is also dependent on weather, conditions for drilling, governmental permits and the timely availability of drilling and ancillary equipment.

7.3 Current Directors and Secretary of the Company

Mr. John Bell (to retire following the Completion)
Chairman, Non-Executive Director

Mr. Bell is a graduate of the University of Aston Birmingham (United Kingdom) with a B.Sc. (Hons) in Administrative Science. He is a Fellow of the Chartered Institute of Management Accountants (UK), a Chartered Global Management Accountant, and a Fellow of CPA Australia.

During the past three years Mr. Bell held no other directorships in ASX listed companies.

Mr. Philip Silva (to retire following the Completion)
Non-Executive Director

Mr. Silva is a partner of Creative Resources & Distribution and an associate with the Institute of Independent Business (IIB) specialising in management consulting across a range of companies and sectors locally and internationally.

During the past three years Mr. Silva held a position of director on the Board of Directors of Synergy Plus Limited (appointed January 2016 – Current).

Mr. Domenic Martino
Non-Executive Director

Mr. Martino is a Chartered Accountant and an experienced director of ASX listed companies. Previously CEO of Deloitte Touche Tohmatsu in Australia, he has significant experience in the development of "micro-cap" companies.

Mr. Martino is a key player in the re-birth of a broad grouping of ASX companies including Cokal Limited, Pan Asia Corporation Limited, Clean Global Energy Limited (renamed Citation Resources Limited) and NuEnergy Capital Limited.

He has a strong reputation in China, with a lengthy track record of operating in Papua New Guinea and Indonesia, where he has successfully closed key energy and resources deals with local players. He has a proven track record in capital raisings across a range of markets.

Mr. Martino was a recipient of the Centenary Medal 2003 for his service to Australian society through business and the arts.

During the past three years Mr. Martino held the following directorships in other ASX listed companies:
Australasian Resources Limited (27 November 2003 – Current); Cokal Limited (24 December 2010 – Current); South Pacific Resources Limited (3 August 2012 – Current); ORH Limited (6 May 2009 – Current); Pan Asia Corporation Limited (24 December 2010 – Current) and Synergy Plus Limited (7 July 2006 – Current).

Ms. Louisa Martino
Company Secretary

Ms. Martino provides company secretarial and accounting services through Transaction Services Pty Limited. Prior to this she was the Chief Financial Officer of a private company while it was seeking investor financing.

She has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australasia ("**FINSIA**").

7.4 Proposed Executive Directors

Upon implementation of the Acquisition and as at the completion of the Offers, Dr. Robson, Mr. Sarssam, Ms. Landles, Mr. Johnson, Dr. Sukhyar, Mr. Zok and Mr. Hargreaves will join the Board of the Company. Mr. Bell and Mr. Silva will resign and Mr. Martino will remain on the Board.

Brief profiles of the Proposed Directors are set out below:

Dr. David Robson
Executive Chairman, Managing Director and President

Dr. Robson is trained as a geologist having obtaining a First Class B.Sc. (Hons.) degree in Geology and a Ph.D. in Geochemistry. He holds an MBA from the University of Strathclyde Business School.

He has spent over 30 years working in the oil and gas industry for major companies such as Mobil and Britoil and for independents such as Hamilton Brothers Oil & Gas (BHP Petroleum). Since 1990 he has worked in the USSR and fSU, in Russia, Kazakhstan, Uzbekistan, Georgia, Tajikistan and Ukraine.

He is the founder of SPG and as Executive Chairman and Managing Director Dr. Robson will be responsible for overall strategy and management of the company.

Dr. Robson's career has focused primarily in operating oil and gas companies with operations in Eastern Europe and the Commonwealth of Independent States since 1990 – including Russia, Ukraine, Central Asia and the Caucasus. Previously, he was employed in technical (exploration, operations, petroleum engineering), commercial and managerial positions within Britoil plc. Hamilton Oil (now BHP Petroleum) and Mobil. Later, he was Managing Director, CEO and one of the founders of London listed JKX Oil & Gas plc. which was one of the first oil and gas companies to operate in Ukraine, Dagestan and Georgia. He was also one of the founders of CanArgo Energy Corporation; an AMEX listed exploration and production company working in Georgia and Ukraine. More recently, he was founder and Executive Chairman of Toronto/London listed (TSX/LSE) listed Tethys Petroleum Limited, an exploration and production company working in Kazakhstan, Tajikistan and Georgia.

He is a Fellow of several societies and associations, including the Geological Society and a member of the European Association of Geoscientists & Engineers, the Society of Petroleum Engineers, the American Association of Petroleum Geologists and the Association of International Petroleum Negotiators.

He was formerly the energy sector representative on the UK government's East European Trade Council, is currently a Board Director of the Pacific Basin Economic Council (PBEC) and is also a member of the Supervisory Board of OJSC Orienbank (the oldest bank in Tajikistan). He was one of the founding members of the Tajik President's Investment Council and was awarded the Presidential Order for Honour for services to the Georgian hydrocarbon industry.

Dr. Robson has spoken at many international forums including the "Paris Club" of donor nations and he was awarded the "Best Executive Chairman of the Year – Asia – 2014" by World Finance Magazine.

Mr. Mark Sarssam
Technical Director and Chief Operating Officer

Mr. Sarssam is an Executive Director and the Chief Operating Officer for SPG, responsible for managing and coordinating the exploration, appraisal and development of SPG's oil and gas assets. He oversees the development of the relevant work plans and budgets for asset development and ensures the programmes are implemented effectively and safely under the overall direction of the Managing Director. As Chief Operating Officer he is also responsible for identifying, evaluating and executing new business opportunities.

Prior to working with SPG, Mr. Sarssam was responsible for Petroleum Development and New Business Development for Tethys Petroleum Limited ("Tethys") where (among other matters) Mr. Sarssam's efforts resulted in two deals (the farm-out of Tajikistan exploration assets to CNPC/Total and the negotiation for the sale of a 50% share in Tethys' Kazakh assets).

Prior to his work at Tethys, Mr. Sarssam held the position of Head of Reservoir Development and New Ventures Advisor for Dragon Oil plc. with a focus on development of the Cheleken Block offshore in Turkmenistan in the Caspian Sea (with reserves of c.650mmbbls). Prior to this, Mr. Sarssam held various senior roles at Shell: leading field development projects in locations such as Oman and Brunei. He has spent more than ten years working on projects offshore in the North Sea and the West of Shetland with Amerada Hess and Fina oil and gas companies.

In total, Mr. Sarssam has 25 years of continuous experience in the oil and gas industry and has worked on a variety of both offshore and onshore projects in the North Sea, Middle East, Africa, Central Asia (fSU) and the Far East. He has extensive knowledge of reservoir management, integrated field development, evaluation of reserves and optimisation of oil and gas production.

In addition to his technical skills and experience, Mr. Sarssam has a strong background in commercial evaluation and international new business development. Mr. Sarssam graduated from Imperial College London with a Master's Degree in Petroleum Engineering.

Ms. Elizabeth Landles
Executive Director, Corporate Secretary and Chief Administrative Officer

Ms. Landles is an Executive Director, Chief Administrative Officer and Corporate Secretary of SPG. She is also one of the founders of SPG. In this role Ms. Landles has overall responsibility for external affairs (government relations, partner relations and investor relations), human resources and personnel management (identification of job requirements, interview and selection of candidates, staff handbook, etc.) as well as organisation of SPG's logistics and support (office management, developing and sourcing new office locations, etc.). Ms. Landles is also the Compliance Officer and responsible for the corporate secretarial function of SPG.

Before joining SPG, Ms. Landles was Executive Director, Executive Vice President, Chief Administrative Officer and Corporate Secretary of Tethys Petroleum Limited (2003 to 2014). During this time, she was Director and Corporate Secretary of the majority of Tethys' subsidiaries and was also responsible for Human Resources and

External Affairs. Prior to her work with Tethys, Ms. Landles occupied the position of Executive Vice President and Corporate Secretary of CanArgo Energy Corporation.

Ms. Landles holds an Advanced Diploma in Business Administration from the Institute of Business Administration and Management (an operating division of the Institute of Chartered Secretaries and Administrators in the UK) and is a Fellow of the Institute of Business Administration. She is also a member of the Institute of Directors and holds their Certificate of Company Direction. In addition, Ms. Landles is a member of the AIPN and has over 18 years experience of working on corporate and administrative issues in fSU oil and gas related companies.

Going forward, Ms. Landles will have overall responsibility for the administration of the Company including human resources, investor relations, external affairs management as well as logistics and support.

7.5 Proposed Non-Executive Directors

Mr. Piers Johnson

Mr. Johnson is an experienced petroleum engineer with 30 years' experience. He holds a B.Sc. (Hons) degree in Mechanical Engineering from Nottingham University, and is a Chartered Engineer with the Institution of Mechanical Engineers. He is past Chairman of the London Section of the Society of Petroleum Engineers, a Member of the Petroleum Exploration Society of Great Britain and a member of the Institute of Energy.

Mr. Johnson is the founder of Oilfield Production Consultants (OPC) Limited, a reservoir and production evaluation and management firm, having previously worked for Flopetrol Johnston Schlumberger as Well Test Supervisor, Location Manager and District Sales Engineer (Asia).

He has experience of oil and gas operations, field evaluations and well test interpretation worldwide and is also a visiting lecturer in Petroleum Engineering at the Institute Français du Pétrole in Paris.

Dr. Raden Sukhyar

Dr. Sukhyar was appointed President Commissioner PT Ant Am (Indonesia) on May 31, 2012. Dr. Sukhyar graduated from Monash University in Melbourne, Australia in 1990 with a Doctor of Philosophy degree (Ph.D.) in Earth Science and the National Resilience Institute (LEMHANAS) in 2003.

Dr. Sukhyar currently holds the post of General Director of Mineral and Coal of the Ministry of Energy and Mineral Resources of the Republic of Indonesia (MEMR) and previously held the post of the Head of the Geological Agency of MEMR (2008-2013).

Mr. Ghassan Zok

Mr. Zok brings over 31 years of extensive management experience in the pharmaceutical industry at world class companies; Sandoz and Novartis (merger of Sandoz and Ciba-Geigy) where he served as Chief Executive Officer for Sandoz Pharmaceuticals in South Africa, followed by Managing Director for Sandoz Pharmaceuticals in Greece, followed by Chief Executive Officer for Sandoz Pharmaceuticals in Belgium and finally Country President for Novartis in Belgium.

Mr. Zok received his Bachelor of Science degree in Civil Engineering in 1966 from the American University of Beirut in Lebanon. In 1972, he graduated with an MBA from the European Institute of Business Administration (INSEAD) in Fontainebleau, France. In 1992, he attended the Columbia University Executive Programme in International Management in New York, and in 1999 the Harvard University – Novartis Forum in Boston (MA), Luzern (CH) and Mumbai (IND).

Mr. Timothy Hargreaves

Mr. Hargreaves has 40 years' experience in international resource businesses in Asia, Australia, Europe and the Middle East. His early career was in petroleum exploration, appraisal and business development with major companies such as BHP, Union Texas, Fletcher Challenge and British Gas up to vice president and country manager levels. He then worked in smaller entrepreneurial independents such as ROC Oil, Scimitar Hydrocarbons, Tethyan Copper Company and Orient & Gulf Investments at levels up to CEO / Board. He has played significant roles in over 25 oil and gas discoveries that were subsequently developed into producing fields.

Currently, Mr. Hargreaves is Director of Research for Resources for Republic Investment Management, a Singapore based fund manager and is a non-executive director of Elk Petroleum Limited (ASX:ELK) and formerly a non-executive director of the Environmental Group Limited (ASX:EGL).

Mr. Hargreaves trained as a geologist and reservoir engineer with an honours degree and post graduate diploma from Sydney University. He is a member of the Australian Institute of Company Directors, American Association of Petroleum Geologists, Geological Society of America, Society of Petroleum Engineers, Southeast Asian Petroleum Exploration Society, and Petroleum Exploration Society of Australia.

7.6 Proposed Management and Employees

Following the Acquisition and as at Completion, the following management and employees will be involved in the Company going forward.

Mr. Fergus Robson
Chief Commercial Officer

Mr. Robson is currently the Chief Commercial Officer of SPG, bringing experience in oil field operations, sales, financing, regulation, contract negotiations and successful execution of corporate business plans.

As Chief Commercial Officer, Mr. Robson is responsible for SPG's commercial strategy, economic evaluation of new and existing projects, maximising revenue from product sales, ensuring that costs are controlled on operations as well as working in conjunction with other senior members of staff on key corporate negotiations and activities.

Prior to his role as Chief Commercial Officer, Mr. Robson was employed with Tethys, initially as a Commercial Analyst in which he conducted market research and analysis on oil and gas markets and transport in Central Asia, followed by taking the Group Commercial Manager Position where he was responsible for the coordination of the commercial activities of Tethys in Kazakhstan, Tethys Uzbekistan and Tethys Tajikistan. During this time Mr. Robson also held the title of Chief Commercial Officer of Tethys Kazakhstan and Chief Commercial Officer Tethys Uzbekistan. In August 2014, Mr. Robson was promoted to the position of Vice President Commercial of Tethys.

Throughout his tenure at Tethys, Mr. Robson lead negotiations for the Chegara PEC in Uzbekistan, worked on the listing of Tethys on the London Stock Exchange, the Afghanistan bidding round, negotiated the Georgian project farm-in in 2013 and worked on various debt and equity financing facilities, as well as sales contracts.

Mr. Robson holds a Joint Honours Master's Degree in Politics and Central and Eastern European Studies from the University of Glasgow and is a member of the Society of Petroleum Engineers.

Mr. Steve Elliott
Vice President Project Development

As Vice President Project Development of SPG, Mr. Elliott is responsible for the compilation of work programmes and budgets for all drilling, workover, production and construction/fabrication activities. He is responsible for the supervision and control of all work programmes and technical operations and for the procurement of all equipment and services in relation to the work programmes.

Prior to joining SPG, Mr. Elliott had been with Tethys since April 2009 in various capacities, including General Director of both Tethys Services Georgia Limited and Tethys Aral Gas Kazakhstan, and most recently as Vice President Project Development for Tethys. Mr. Elliott was responsible for Tethys' activities at the project stage in all countries of operation and has lived and worked in Kazakhstan, Tajikistan, Uzbekistan and Georgia.

Prior to Tethys, Mr. Elliott was employed with Baker Hughes, working in Uzbekistan, Eritrea and the North Sea. Mr. Elliott was originally trained as a geologist but has spent most of his recent career working in project management, drilling and production operations, and in the execution and coordination of integrated services contracts. Mr. Elliott holds a B.Sc. (Hons) degree in Geography.

Mr. Rudolf Kriechbaum
Vice President Subsurface

Mr. Kriechbaum is the Vice President Sub-Surface of SPG bringing 28 years of experience in the international oil and gas service industry. He is responsible for the supervision of the sub-surface team consisting of geoscience and reservoir capabilities.

Mr. Kriechbaum delivers field development plans as well as production optimisation and enhancement programmes. He is responsible for providing production forecasts and reserves for assets.

From 2011 to 2015, Mr. Kriechbaum was a consultant for Tethys as a petrophysicist and was responsible for planning formation evaluation, perforating, testing and completions, log interpretation, quality control at wellsite for critical jobs, involvement in approval process of drilling/workover operations and various tendering exercises.

Prior to working for Tethys, Mr. Kriechbaum spent the bulk of his professional career with Schlumberger in various roles worldwide including but not limited to: OFS Business Development/General Manager Eastern Europe, General Manager Oilfield Services in Germany and Austria, Wireline Business Development Manager for Central & Eastern Europe and Wireline Marketing Manager for Middle East & Asia. During his assignment in Eastern Europe he was involved in Field Rejuvenation projects in Romania, applying new technologies to increase production of mature oil and gas fields.

Before Mr. Kriechbaum entered various management positions he worked as field engineer for Schlumberger in various countries. Before joining Schlumberger, Mr. Kriechbaum held training positions with Shell and Texaco. Mr. Kriechbaum holds a Masters Degree in Petroleum Engineering from the Mining University Leoben in Austria.

Mr. Mamuka Murjikneli
Vice President External Affairs

Mr. Murjikneli is Vice President External Affairs for SPG. He is responsible for the protection of SPG's personnel, assets and overall risk assessment and ensures that SPG's operations are in compliance with the laws of the host country and corporate policies as well as monitoring potential political and economic situations.

Previously, he held the role of Vice President External Affairs for Tethys for five years. Mr. Murjikneli served as Vice President of Tethys Petroleum Incorporated and Head of the Tajikistan, Afghanistan and Turkmenistan Business Units as well as the President of Tethys' subsidiary in Afghanistan.

Prior to working for Tethys, Mr. Murjikneli was the Manager External Affairs for CanArgo Energy Corporation. He also held the position of Attaché and Senior Economic Counselor for the Georgian Embassy in the US, Mexico and Canada and was a former Research Specialist for Ministry of Foreign Affairs of Georgia.

Mr. Murjikneli graduated with Honors from the Tbilisi Technical University, Georgia with a Master's Degree in International Economics.

Ms. Denise Lay
Chief Financial Officer

Ms. Lay is a Fellow of the Association of Chartered Certified Accountants ("**FCCA**") and is a finance professional with extensive experience heading up many international finance functions including companies operating in Russia and Kazakhstan with experience which spans a number of different industries including oil and gas. She is responsible for the overall management and control of SPG's finance activities.

Ms. Lay qualified with a degree in Russian from the University of London School of Slavonic and East European Studies, thereafter going on to qualify as an ACCA accountant with KPMG. She has held positions including that of Finance Director for a number of companies including Gallaher Group PLC, NRG International Limited (Ricoh Group) and Tethys Petroleum Limited. Her career has encompassed the preparation and presentation of ACCA courses to students across the fSU, when working for ATC International. She has managed and developed local finance teams and worked with local tax authorities and other local government bodies across diverse geographical areas including Kazakhstan and Russia.

Ms. Lay has both internal and external audit experience having worked for Chevron Corporation (internal audit) and with KPMG (external audit). In her most recent role as Finance Director and Chief Financial Officer of Tethys, she was heavily involved in the development of the Group's finance function and internal control environment working closely with auditors PwC and KPMG

Ms. Lay is fluent in Russian and fully conversant with Russian accounting systems as well as working with UK GAAP, Canadian GAAP and IFRS.

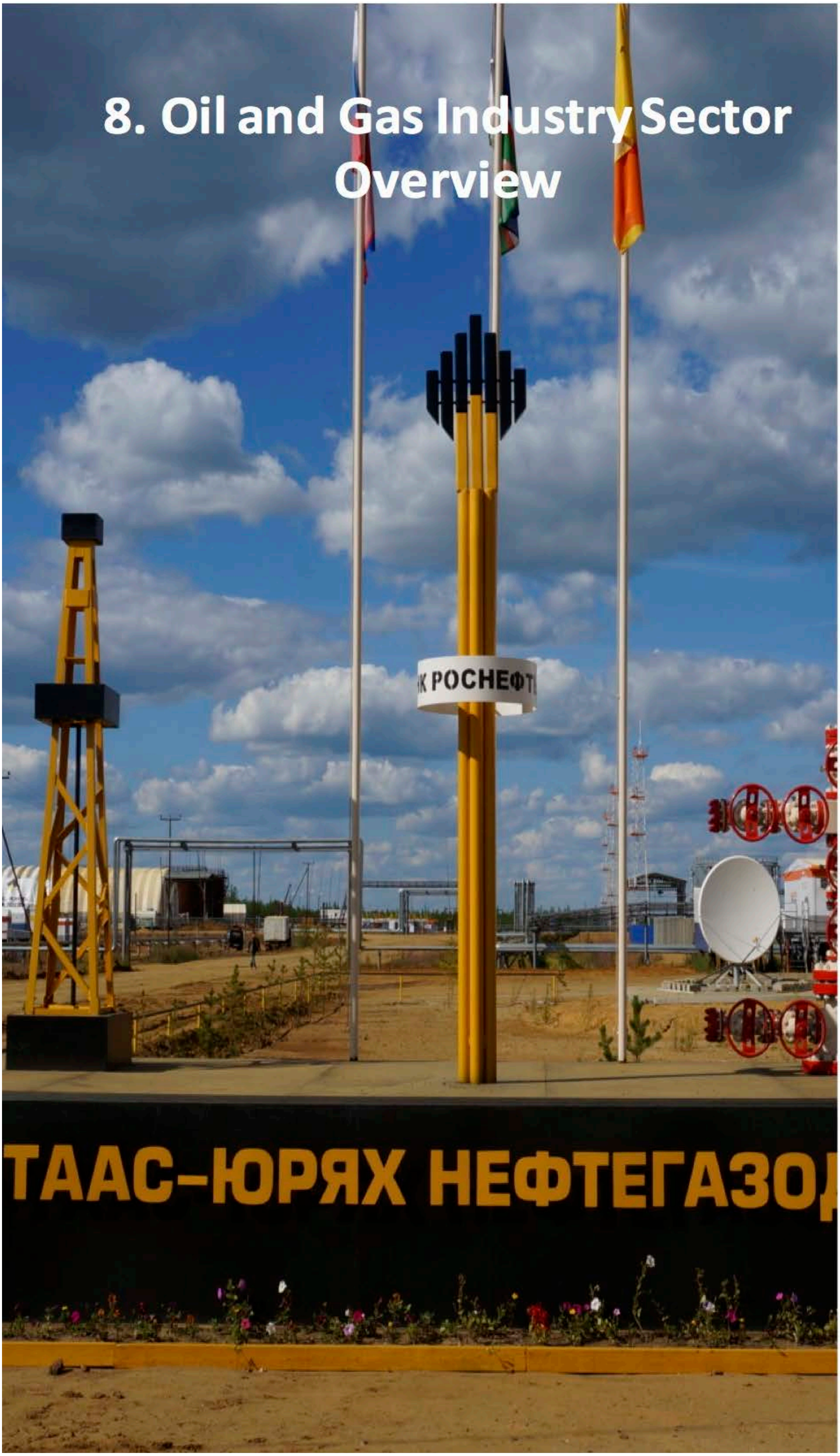
7.7 Dividend Policy

The Shares issued pursuant to this Prospectus will rank equally for dividends with all Existing Shares from the date of allotment. Investors should be aware that, given that the company is an oil and gas exploration and production venture, it is unlikely that dividends will be paid in the short to medium term as surplus capital will be deployed in developing the company's assets and acquiring new assets. Payment of any dividend will be dependent upon many factors including the success of the company's exploration and production programme and the future achievement of profitable operations.

7.8 Environment

SPG is committed to achieving a high standard of environmental performance and compliance with all environmental legislation in the countries in which it operates as well as international oil and gas industry good practice. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

8. Oil and Gas Industry Sector Overview



8. Oil and Gas Industry Sector Overview

The international oil and gas market is a highly competitive sphere with a large number of companies involved in the exploration, production, transportation and sale of oil and gas. Oil and gas products are used in a wide range of applications including: vehicle fuel, electricity, fertilizer, lubricants, plastics, synthetic fibers, dyes, biocides, perfumes and many others. In 2014 the USA, Russia and Saudi Arabia were the world's largest oil producers and the USA, Russia and Iran were the largest gas producers.[1]

Demand for both oil and gas has increased significantly over the past 20 years; with global oil demand increasing between 1994 and 2014 from 68.2 MMbbl/d to 92.1 MMbbl/d (25%), and global gas demand increasing from 2,085 BCM/y to 3,393 BCM/y (39%).[2] In terms of oil production, between 1994 and 2014, this increased from 67.1 MMbbl/d to 88.7 MMbbl/d (24%) and in terms of gas production, this increased from 2,085 BCM/y to 3,393 BCM/y (39%) over the same period.[3]

Significant changes have occurred in the oil and gas markets over the past 20 years, for example changes in technology (production, refining and consumption), changes in trade flows and changes in regional demand patterns. Increasingly, the Asia Pacific region is becoming the key market for oil and gas – both in terms of absolute volumes and rate of growth. In 1994, the Organisation for Economic Cooperation and Development (the "**OECD**") (minus Japan and South Korea) represented 53% of the total global consumption of oil, with Asia Pacific consuming only 25%.

By 2014, the OECD (minus Japan and South Korea) share of global oil consumption had fallen to 41% whilst the Asia Pacific region had increased to 33%. In 1994, the OECD represented 51% of the total global consumption of gas, with Asia Pacific consuming only 10%. By 2014, the OECD share of global gas consumption fell to 41%, with Asia Pacific increasing to 20%[4].

In terms of absolute volumes consumed 1994 – 2014, very significant growth has been seen in Asia Pacific markets both in terms of oil, but more notably in terms of gas. South Korea's gas demand increased by 560% from 8.5 BCM/y to 47.8 BCM/y, China's gas demand increased by 1,100% from 16.6 BCM/y to 185.5 BCM/y and Japan's demand increased by 185% from 60.3 BCM/y to 112.5 BCM/y[5].

As well as changing regional production and consumption patterns, the global oil and gas market has been subject to rapid technological change, with the full commercialization of technologies such as Liquefied Natural Gas ("**LNG**"), Gas to Liquids ("**GTL**"), hydraulic fracturing, horizontal drilling and ultra–deep offshore developments amongst others.[6] These new technologies have allowed supply to continue growing despite the depletion of more conventional fields and productive provinces. The US shale oil developments, occurring in the early part of the 21st Century, have allowed the US to increase both oil and gas production very significantly, decades after the country previously reached peak production.[7] Developments in LNG and GTL technologies have allowed previously stranded gas deposits, such as those located offshore Australia to be developed and delivered to the market.

Technological and commercial advances in the LNG industry have significantly changed the global gas market over the past 20 years and the market is becoming increasingly global, whereas it tended to be more regional previously[8]. The transport of gas by ships has allowed gas to be transported long distances in contrast with traditional supply routes.

Gas from Qatar now supplies both the EU and China,[9] and a significant spot market has developed in the trading of LNG, with benchmarks such as the Japan Korea Market ("**JKM**") growing in usage.

The development of LNG however has not precluded the importance of pipeline gas supply, which tends to form the "base load" for regions. Russian pipeline gas from western Siberia is of very high importance to the European market, supplying c. 30% of the total market.[10] Gas from Central Asia and Burma (and, in the near future, Russia) will perform a similar role for China[11]. Overall, the global pipeline gas export/import market is double the size of the LNG import/export market.[12]

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[1] *BP Statistical Review of World Energy* 2015
[2] *BP Statistical Review of World Energy* 2005 & 2015
[3] *BP Statistical Review of World Energy* 2005 & 2015
[4] *BP Statistical Review of World Energy* 2005 & 2015
[5] *BP Statistical Review of World Energy* 2005 & 2015
[6] *Realizing the Potential of North America's Abundant Natural Gas and Oil Resources,* National Petroleum Council, 2011
[7] *BP Statistical Review of World Energy* 2005 & 2015
[8] *Global Natural Gas Markets Overview*, US Energy Information Administration ("**EIA**"), 2014
[9] *World LNG Report*, International Gas Union, 2014
[10] *Russian Gas Imports to Europe and Security of Supply*, Clingendael International Energy Programme, 2013
[11] *Sino Russian Oil & Gas Cooperation*, Dr. Keun Wook Paik, 2014
[12] *BP Statistical Review of World Energy* 2015

In terms of oil pricing the international benchmark Brent crude oil has remained volatile since its inception in 1986. Annual percentage change in the price of Brent crude has averaged 7.29%[13], with falls of over 40% and rises of over 60% seen in some years.[14]

The average annual inflation rate (1968 – 2014) for West Texas Intermediate ("**WTI**"), the US benchmark crude, was 5.7% per annum[15]. In 2H 2014, the Brent crude oil price fell significantly (from an average of USD99 in 2014 to an average of USD56.45 1H 2015[16]) and in 2H 2015, the Brent crude price averaged USD46.90, for an average 2015 price of USD52.32[17]. This fall, whilst severe, is not unprecedented in the history of oil pricing (both in real terms and nominal values) and the Company believes the long-term prospects for oil and gas demand remain strong, but the price will however continue to be volatile.

In terms of gas pricing, with the exception of spot markets (mainly in the UK, EU and USA), and for a small percentage of LNG contracts, the gas price remains tied to the oil price (as well as in some cases the heavy fuel oil, electricity and coal prices) under long-term index linked contracts (the majority of LNG is sold on long-term index linked contracts[18]). Despite the increasing usage of benchmarks such as the JKM in LNG pricing, gas pricing in the European, Asian Pacific and Latin American markets remains very much a function of global oil prices. The exception to this being in the USA, where strong domestic production as a result of technological advancement, and an extensive network of national gas pipelines, means that the gas market is almost entirely delinked from the oil price.

The Company does not, at this time, plan to work in either the LNG or USA market and therefore expects that for the foreseeable future, gas prices relevant to its projects will continue to be linked strongly to the oil price.

8.1 Chinese Energy Market Background

SPG's primary focus at the time of this Prospectus is to acquire and develop hydrocarbon assets in the fSU, with a particular focus on those assets which have the long-term potential to supply energy to the Chinese market.

China's energy demand has been growing strongly since the early 1990s, and the country has become the world's largest importer of oil.[19] Total primary energy demand has increased by 366% from 1994 – 2014 with the majority of this overall increase being in coal demand.[20] As of 2015, China consumed 23% of global energy.[21] Gas demand is increasing strongly in China, and although it is still a minority portion of the energy mix at around 5%,[22] China's absolute demand for gas is sizable, at 185.5 BCM/y in 2014.[23]

Chinese (and Asia Pacific, in general) energy demand is forecast to increase significantly during 2015 – 2040. OPEC estimate that 71% of the growth in world oil demand from 2015 – 2040 will come from Asia Pacific, with China representing the majority of this growth.[24]

In terms of gas, mainstream forecasters[25] predict that the Chinese gas market will be larger by volume than that of the EU by 2020. BP predict that by 2020, the Asia Pacific region's gas imports will exceed those of Europe[26], with net imports of gas to China expected to be in the region of 288 BCM/y by 2020.[27] Demand for gas in China rose 21% per annum from 2005 – 2013[28] and the Academy of Chinese Energy Strategy predicts that overall Chinese gas demand will be 550 BCM/y by 2030.[29]

In terms of demand policy, the Chinese government has strongly emphasised the increase of gas in the overall energy mix. The 12th and 13th 'Five Year Plans' have set aggressive targets for gas utilisation, with an ambition to increase a gas share of

[13] EIA www.eia.gov
[14] EIA www.eia.gov
[15] EIA www.eia.gov
[16] EIA www.eia.gov
[17] EIA www.eia.gov
[18] Platts, published 15 September 2014 by McGraw Hill Financial
[19] *BP Statistical Review of World Energy* 2015
[20] *BP Statistical Review of World Energy* 1995 & 2015
[21] *BP Statistical Review of World Energy* 2015: China Insights
[22] EIA www.eia.gov
[23] *BP Statistical Review of World Energy* 2015
[24] *World Oil Outlook*, OPEC, 2014
[25] BP, EIA, OPEC, CNPC, Wood Mackenzie.
[26] *BP Energy Outlook 2035*, BP, 2015
[27] CNPC Research Institute of Economics and Technology published 8 December 2015
[28] CNPC Research Institute of Economics and Technology published 8 December 2015
[29] Academy of Chinese Energy Strategy

the energy market from the current 5% to 20%.[30] Under the 13th 'Five Year Plan', an additional 68 BCM/y will be required just for electricity generation and even if the target for the residential usage of gas is met, only 20% of the population will be using natural gas in the residential environment.[31]

Chinese government policy is strongly focused upon increasing gas (and renewable energy) utilisation across the economy and replacing the usage of coal. BP predicts that by 2035, coal's share of the market will have fallen from 77% in 2013 to 51% by 2035.[32] Away from government policy, residential consumers have a strong preference to utilise electricity or natural gas as opposed to coal.[33] In terms of supply policy, the Chinese government has been very active in developing the infrastructure required to import substantial volumes of natural gas.

[30] People's Repbulic of China 13th Five Year Plan
[31] People's Republic of China 13th Five Year Plan
[32] *BP Energy Outlook to 2035*, BP, 2015
[33] Internal SPG research

Fig 1: Development of China's Gas Pipeline Infrastructure: 2000 – 2020

Source: Gazprom.com and Arcticgas.gov WASHINGTON POST

China's internal gas pipeline network has grown rapidly over the past 15 years and is now estimated to consist of around 40,000 km of internal gas pipelines.[34] As well as pipeline gas, there are several large LNG terminals located primarily in the southern coastal regions of the country.

As natural gas supply is a critical part of China's long-term energy policy, the Chinese government (and, to a lesser extent, private Chinese capital) has made significant investments in international pipeline infrastructure. The three Central Asian pipelines (Line A, B and C; Turkmenistan, Uzbekistan, Kazakhstan) delivering gas to north-western China were constructed from 2007 – 2012 and are importing significant quantities of gas to China (around 40 BCM/y[35]). "Line D" (Turkmenistan, Uzbekistan and Tajikistan) is under construction with a planned capacity of 25 BCM/y.

In addition, a pipeline from Burma opened in 2013 with a capacity of 12 BCM/y. In 2014, China and Russia agreed on the construction of the "Power of Siberia" gas pipeline from eastern Siberia to north east China, with an initial delivery capacity of 38 BCM/y, to be expanded to up to 68 BCM/y. The Power of Siberia gas pipeline is scheduled for completion in 2018. The overall strategy is to secure pipeline gas import capacity to China to act as a "base load" for the economy's energy needs.[36] Pipeline gas sold on long-term oil indexed contracts provides a stable and secure source of energy with a competitive cost structure as opposed to LNG.

In terms of pipeline oil imports, China is supplied by the Kazakhstan-China oil pipeline (capacity c. 350,000 bopd[37]) and the East Siberia Pacific Ocean pipeline from Russia (capacity to China c. 300,000 bopd). Both pipelines have planned capacity upgrades.

Regarding the regulation of the energy market, China is moving very quickly to liberalise the oil and gas sectors (as well as the electricity sector) and to encourage a more competitive environment than had been seen previously.

The National Development and Reform Commission has a stated policy of reducing the influence of state monopolies in the sector[38] and in 2015, the oil import market was liberalized to allow private companies to import crude oil via pipeline. It is expected that a similar move will be undertaken with respect to gas imports.

The SPG team strongly believes that the Chinese energy market continues to display attractive growth prospects as well as offering competitive commercial conditions. It is the SPG team's opinion that the growing Chinese gas market in particular represents an excellent opportunity for the marketing and monetization of the company's production.

9. Overview of Projects and Countries where Projects are Located

9.1 Tajikistan Background

The Republic of Tajikistan is located in Central Asia – bordering Uzbekistan to the west, Kyrgyzstan to the north, Afghanistan to the south and China to the east. The capital of the country is Dushanbe. Tajikistan covers an area of 143,100 km^2 and has a population of approximately 8 million.

The country is mountainous, with the Pamir Mountains prevalent across the entire east of the territory. In the west, deep valleys run north to south providing high quality agricultural land and the fertile Fergana valley is located in the north of the country.

The climate is moderate in the south and west of the country, ranging from 0°C to 40°C annually, and cooler in the mountainous east, where snow is common in winter months.

Politically, the country is a bicameral presidential Republic with one Autonomous region (Gorno – Badakhshan) and having existed since 1991. The government is a multi-party representative democracy.

Whilst oil has been produced from the Fergana basin since the early 20th Century, the oil and gas industry in Tajikistan has suffered from a severe lack of investment since the fall of the Soviet Union in 1991 and a subsequent civil war which was waged between 1992 and 1997. As such, in the opinion of SPG, significant exploration upside still exists within Tajikistan.

[34] CNPC Research Institute of Economics and Technology published 8 December 2015
[35] National Bureau of Statistics of China
[36] *Sino Russian Oil & Gas Cooperation*, Dr. Keun Wook Paik, 2014
[37] CNPC Research Institute of Economics and Technology published 8 December 2015
[38] *Energy Regulation and Legislation in China*, Qui & Li, 2012

There is significant industry interest in the area, with state-owned and independent majors, such as CNPC, TOTAL, Gazprom and others either currently working there or showing an interest.

Traditionally, Tajikistan's economy has relied on the production of aluminum and agricultural products, such as cotton. However, with a more favourable investment environment for international oil and gas companies and the continued improvement of the relevant legislation, there is great potential for the development of its energy industry, which has been gaining momentum. This is likely to have a significant positive impact on the country's economy and its people.

In terms of fiscal regime for subsoil projects, the Republic of Tajikistan operates two separate systems. The first is a Production Sharing Contract or Investment Agreement system, with cost recovery oil and profit oil. Percentages and the inclusion of other taxes such as royalties are negotiable. The second is a standard (i.e. non oil and gas specific) corporate tax system, with profits from operations taxed at in line with standard Tajikistan corporate and taxation law, currently at a rate of 15%.

9.2 Tajikistan Projects Background

SPG's team has spent many years working in Tajikistan, being some of the first international experts to do so. During Soviet times there was little focus on oil and gas production in the country, with the economy being dominated by agriculture and by aluminum production using hydropower. After the collapse of the Soviet Union the country went through a period of turmoil and a civil war, but over the past eight years or so there has been a renewed focus on the exploration for and development of oil and gas, both for the internal market (where prices are relatively high) but also for possible export to China.

Kyzyl-Tumshuk

SPG has entered into an Investment Operating Agreement ("**IOA**") for the Kyzyl-Tumshuk (also known as the Surkhsimo) oil and gas field in the Vaksh valley of south-east Tajikistan in the western part of the Vakhsh megasyncline near the town of Kurgan-Tube. This is a producing oil and gas field which SPG believes has remaining potential for increasing oil and gas production.

Under the terms of the IOA, SPG shall be responsible for all operations and operating expenses on the field and shall in return receive a percentage of the oil and gas produced as a result of SPG's activities (70% of production whilst recovering costs and 50% of production thereafter). A 6% taxation royalty is applicable but this is a permitted cost for cost recovery purposes.

SPG will be liable for corporate profit tax at 15% and other minor taxes. SPG completed the Kyzyl-Tumshuk Investment and Operating Agreement in October 2015 and must commence works within 12 months. A first year initial work programme has been developed and costed and works are expected to commence on the field in Q1 2016 (subject to the Offers being completed). Initial works will include workovers and recompletions followed by drilling to target both oil and gas production.

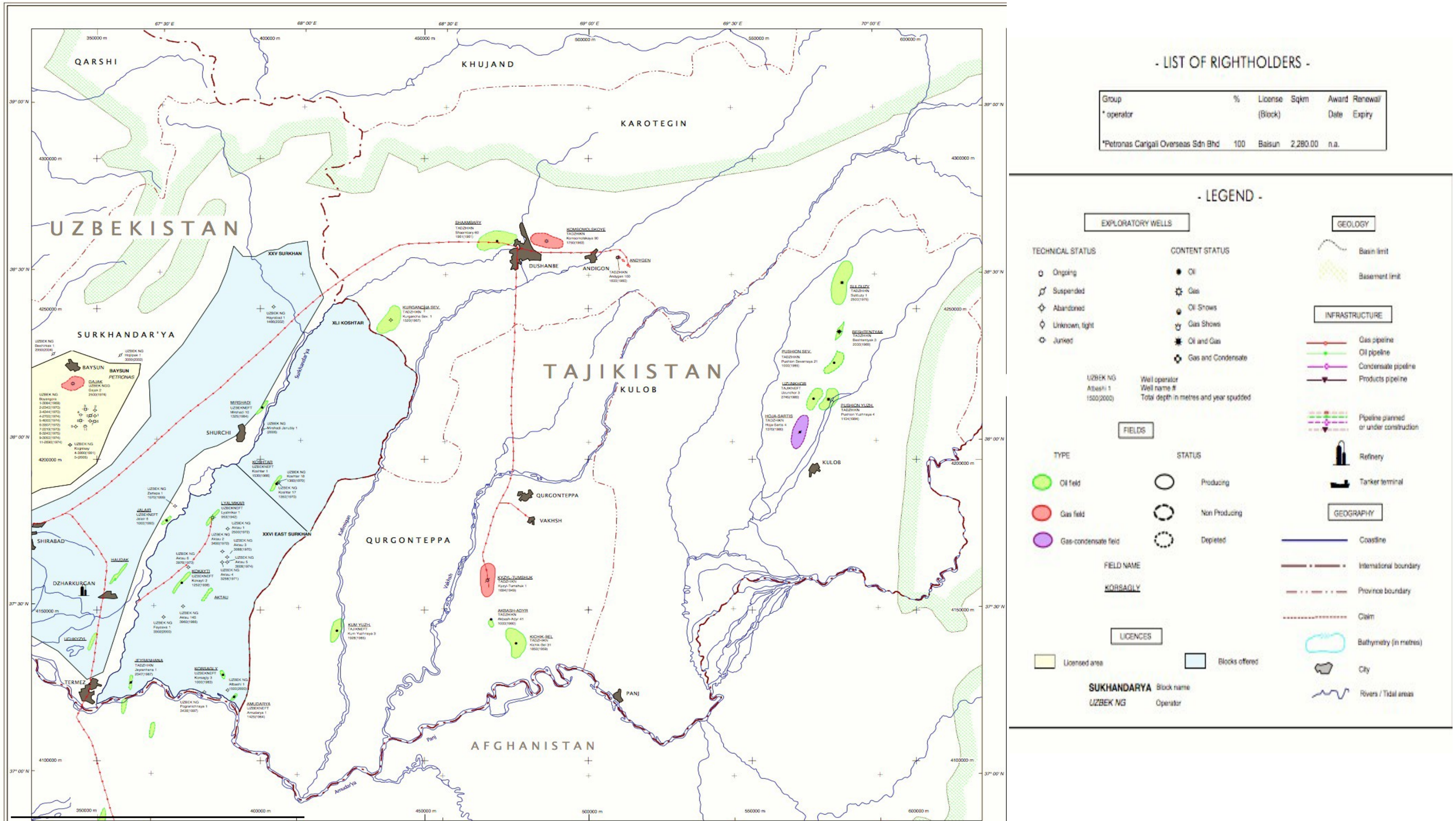
The other party to the IOA is the State oil and gas company, Naftugaz, overseen by the Ministry of Energy and Water Resources.

The field, which is shallow at approximately 650 m, is connected by pipeline to the capital city Dushanbe which provides a market for the gas at regionally high prices. Nearby oil refineries are available as off-takers for the crude oil production.

To date, no revenue has been generated from the Kyzyl-Tumshuk field for SPG. The field in Tajikistan (Kyzyl Tumshuk) is already a commercially producing field (with 3 producing wells) and existing oil and gas export facilities to local markets, however SPG shall only see the benefit of incremental production (refer Section 10.1.3) following the implantation of more advanced technologies and techniques following the Public Offer. The reserves are based on evaluation of the available data and planned work programme. There is no requirement for specialised processing equipment and the wells will be commercially produced using standard oilfield practices, in this case by the use of artificial lift (sucker rod pumps), these pumps to be upgraded as part of SPG's development programme.

In SPG's opinion, the Kyzyl-Tumshuk gas condensate field offers considerable additional potential: both in terms of increasing gas production and via the efficient development of the oil rim.

Fig 2: Location of the Kyzyl-Tumshuk gas condensate field[39]



39 IHS (2006)

East Supetau

In May 2015, SPG signed an MOU with the Ministry of Energy and Water Resources of the Republic of Tajikistan for a highly prospective exploration area in the north of the country, in the Ferghana valley.

This MOU grants SPG access to all available geological and geophysical data relating to this area, together with the exclusive right to negotiate an Investment Agreement (a form of Production Sharing Contract) for all currently unlicensed areas in the north of Tajikistan.

The Fergana basin is one of the longest-established oil provinces of Central Asia. Almost every reservoir in the basin has been proven to be hydrocarbon-bearing, and by the end of 1982 had yielded some 450 million barrels of oil equivalent.[40] However, to date, the region remains poorly explored and as such considerable exploration upside still exists. The USGS estimates that over 4 billion barrels of oil and 136 BCM of gas remain to be produced from this basin.

After completing a detailed technical and economic review, SPG has decided to proceed with negotiations for a specific area covered by this MOU, known as “East Supetau”. The intention is therefore to conclude an Investment Agreement for this area within the 12-month exclusivity period.

9.3 Georgia Background

Georgia is an independent republic with a population of approximately 5 million. It is located in the Caucasus region of Eurasia and borders Russia to the north, Turkey and Armenia to the south, Azerbaijan to the south/east and is bounded to the west by the Black Sea. The country covers an area of 69,700km^2.

Georgia is mountainous, with the Greater and Lesser Caucasus Mountains in the north and south of the country respectively. To the west, near the Black Sea, the country is primarily low-lying marsh and swamps. The climate is primarily of Mediterranean type, with a cooler, wetter, climate in the mountainous regions.

Politically, the country is a unitary semi–Presidential Republic and has existed since 1991. Two break-away regions exist in Abkhazia and South Ossetia. The government is a multi–party representative democracy, with the President acting as the head of state and a Prime Minister as head of government.

In terms of oil and gas development, Georgia has a long history and significant potential for future development. Surface oil seeps in Georgia have been exploited since ancient times.[41]

Oil drilling in Georgia commenced in 1869 and has continued ever since with only brief respites during the First and Second World Wars. The most significant oil discovery in Georgia was undoubtedly the Samgori-Patardzeuli Field, where exploration drilling commenced in 1967. The first commercial well, No.7 flowed 7,000 bopd and to date over 200 wells have been drilled on the structure and 172 MMbbl of oil have been recovered, with peak production reaching some 70,000 bopd.[42] The development of the Samgori-Patardzeuli field and others facilitated the creation of a knowledgeable and experienced technical oilfield workforce in Georgia, which persists to this day.

Georgia’s economy is diverse with its main industries including agricultural products, manufacturing, mining, and metals. However, the presence of significant potential conventional and shale oil has remained underexploited. With this in mind, the government of Georgia has taken a proactive business stance in actively welcoming foreign investment into the oil and gas sector. Production Sharing Contracts with good fiscal terms are the norm for petroleum exploration companies and are regarded as positive for the investor.

Overall, Georgia is considered stable with a transparent business environment and is ranked 15th (out of 189 economies) and 1st in Eastern Europe and Central Asia on the ease of doing business by the World Bank’s “Doing Business” index.

Georgia recently signed an Association Agreement regarding the Deep and Comprehensive Free Trade Area (“**DCFTA**”) with the EU. This preferential trade regime will closely integrate the Georgian economy with the EU and provide more economic opportunities by opening the EU market further to Georgian goods and services. It is also likely to attract additional foreign investment to Georgia.[43]

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[40] *Oil and Gas Reserves of the Fergana Basin*, EIA January 1995

[41] *History of Petroleum Geology in Georgia*, Nibladzi & Janiashvili 2014

[42] *History of Petroleum Geology in Georgia*, Nibladzi & Janiashvili 2014

[43] European Commission Directorate-General for Trade (Georgia)

9.4 Georgia Projects Background

In November 2015, SPG signed an agreement (subject to completion of the Offers) with Georgia Oil and Gas ("**GOG**") to acquire a 20% interest in Block XI^{G} in the Republic of Georgia.

This agreement grants SPG a 20% equity interest in the XI^{G} PSC alongside GOG (who is the Operator and holds a 60% equity interest) and a Georgian Government funder (who holds a 20% interest). The consideration for this transaction is USD2 million, including a contribution for previous geological exploration works and the drilling of the Kumisi #2 exploration well.

The Georgian project comprises the further development of Exploration Block XI^{G}. Block XI^{G} is located on the outskirts of Tbilisi, close to the producing oil fields of Samgori, Teleti and West Rustavi and on trend with the largest oil discovery in Georgia (Samgori-Patardzeuli).

Fiscal terms are good and the PSC is in existence until 2036. The cost recovery ceiling is 50% with profit oil and gas of 40%. No other taxes, duties or fees are applicable.

Oil and gas commercialisation options are plentiful, with two trunk oil pipelines (Baku-Tbilisi-Cheyhan and Baku-Supsa) located in proximity to the XI^{G} block, as well as a major railway; and a trunk gas pipeline to Turkey as well as a buoyant gas market in the nearby city of Tbilisi.

SPG personnel have significant experience in oil and gas operations in Georgia.

GOG, the majority owner and the operator of Block XI^{G}, has completed a significant volume of exploration activity on the block, having recently acquired a further 135 km of 2D seismic and over 500 km^2 of aeromagnetic gravity survey over the area, allowing the preparation of the drilling location for the first well (Kumisi #2) which is underway at this time.

In SPG's opinion, Block XI^{G} represents an attractive low cost acquisition with significant levels of exploration upside.

9.5 Russian Federation Background

The Russian Federation is the largest country in the world, covering an area of 17,075,400 km^2. The country is a Federal semi-presidential Republic and has existed since 1991. The country borders Europe to the west, Central Asia to the south, China to the east and the Arctic to the north.

The Russian Federation spans 9 time zones and the population is multi-ethnic. A wide variety of religions are practiced. The official language is Russian with an additional 35 formally recognized languages.

Administratively, the country is organized on a Federal basis, 85 federal regions consisting of: 46 *Oblasts* (regions), 22 Autonomous Republics, 9 *Krais* (territories), 4 Autonomous *Okrugs* (districts), 1 autonomous *Oblast* and 3 federal cities. The federal regions are grouped into 9 federal districts.

Politically, the country is a bicameral semi–presidential federation, with the President as the Head of State and the Prime Minister as the Head of Government. The country is a multi-party representative democracy with legislative, executive and judicial branches. The Russian Federation is recognized as the successor state to the USSR. The capital city is Moscow.

Located on the Eurasian plain, Russia is richly endowed with oil and gas resources. The country has the world's 6^{th} largest oil reserves[44] and the world's 2^{nd} largest natural gas reserves[45]. In terms of production, the Russian Federation is the 3^{rd} largest oil producer in the world[46] and the 2^{nd} largest natural gas producer in the world.[47]

Russia's abundant natural resources sector, specifically oil and natural gas, plays an essential role for the Russian economy and to the global hydrocarbon supplies. Russia is a significant player in the export of crude oil, natural gas and petroleum products and the country's oil and gas activities make up a large portion of the federal budget.[48]

[44] *BP Statistical Review of World Energy*, 2015, pp. 6
[45] *BP Statistical Review of World Energy*, 2015, pp. 20
[46] *BP Statistical Review of World Energy*, 2015, pp. 8
[47] *BP Statistical Review of World Energy*, 2015, pp. 22
[48] EIA - Independent Statistics and Analysis

Russia contains many major, productive sedimentary basins as well as unexplored sedimentary basins. The majority of the current productive hydrocarbon provinces in the country were discovered and developed during the Soviet period.[49]

The government of the Russian Federation actively promotes the development of its oil and gas resources, with a well-developed fiscal, legal and operational framework and the country benefits from the presence of oil and gas transport and processing infrastructure as well as a proliferation of oil field services and professional specialists.

In terms of fiscal regime for subsoil projects, the Russian Federation operates a tax/royalty license regime with the primary taxes being: Mineral Extraction Tax (a royalty on production payable in Russian Rubles), an Export Duty (a royalty on exported oil or gas payable in USD and linked to the Urals oil price for oil and a flat percentage rate for gas), Property Tax, Corporate Income Tax and VAT are also levied on projects. Certain projects (such as those located in east Siberia or those that are technically challenging), are eligible for tax exemptions, tax holidays and other such incentives.

9.6 Sakha (Yakutia) Republic Background

The Taas-Yuriakh Project and other proposed East Siberian projects are located in the Sakha (Yakutia) Republic in Eastern Siberia. The Sakha (Yakutia) Republic is an Autonomous Republic of the Russian Federation covering an area of 3,083,523 km^2.

The Sakha Republic is the largest Autonomous Republic within the Russian Federation and is larger in area than Argentina and only slightly smaller than India. The population of the Sakha (Yakutia) Republic is 958,952.

Politically, the Sakha (Yakutia) Republic operates under a unicameral system, with an executive lead by the Head of the Republic (currently Yegor Borisov).

The Sakha (Yakutia) Republic is a large, continental area, primarily flat (but with a mountain range running through the centre of the Republic). The major river is the Lena, running from south to north of the Republic, ending in the Arctic Ocean. The Republic is known for its extreme climatic range, with summer temperatures in the region of 30 - 40°C and winter temperatures frequently lower than -50°C[50].

Ethnically, the Sakha (Yakutia) Republic contains 126 recognized nationalities with Yakuts (45.5%), Russians (41.2%), Ukrainians (3.6%), Evenks (1.9%) and the Evens (1.2%) representing the majority of such nationalities.[51]

The Taas-Yuriakh Project is located in the Lensk district in the south west of the Republic. The natural vegetation is primarily Taiga (swampy, coniferous forest), with high temperatures in the summer (+35^{o}C) and very low temperatures (-40^{o} C) in the winter. The other proposed projects are located in the same overall geographical region as the Taas-Yuriakh Project.

Economically, the Sahka (Yakutia) Republic is dependent on industry (primarily extractive) and is endowed with oil, gas, gold, diamond, silver, tin, tungsten and uranium resources. Extractive industries made up over 70% of the Republic's GDP in 2011.[52] The Republic is Russia's main source of diamonds.

In terms of oil and gas extraction, the Sakha Republic contains several very large fields, including Chayandinskoye (Gazprom) and Srednebotuobinskoye (Rosneft/BP) amongst others. Oil and gas was discovered in the Republic in the 1970s but commercial exploitation did not occur until the 21st Century. Fiscal incentives are available for subsoil license holders operating in the Sakha (Yakutia) Republic. The Capital of the Sakha (Yakutia) Republic is Yakutsk.

[49] *Corporate Governance in Russia: The Russian Oil Industry*, pp. 329
[50] Encyclopedia Britannica
[51]: *Investment Handbook,* Government of Sakha (Yakutia) Republic
[52] *Investment Handbook,* Government of Sakha (Yakutia) Republic

Fig 3: Sakha (Yakutia) Republic - Map

9.7 Taas-Yuriakh Project and Other Projects in East Siberia Background

SPG holds several MOUs, cooperation agreements and other such declarations of intent for projects in Eastern Siberia, specifically in the Republic of Sakha (Yakutia).

The most notable of these is the Heads of Agreement with Rosneft for SPG to acquire an interest of between 10% and 29% in the supergiant Srednebotuobinskoye field (referred to above as the "**Taas-Yuriakh Project**").

The Taas-Yuriakh Project relates to two subsoil use licenses (issued 2002 and 2007), covering the majority of the Srednebotuobinskoye oil and gas field. Rosneft acquired 100% ownership of these licenses through a series of transactions in 2013. BP acquired a 20% stake in the project in 2015.

Srednebotuobinskoye is a major oil and gas field, currently the 4th largest field in East Siberia, and plateau production of 5 million tons per annum (c. 100,000 bopd) is planned. It is anticipated that the field will also become a major gas producer. Currently, the field is producing approximately 20,000 bopd and this oil is being exported to international markets.

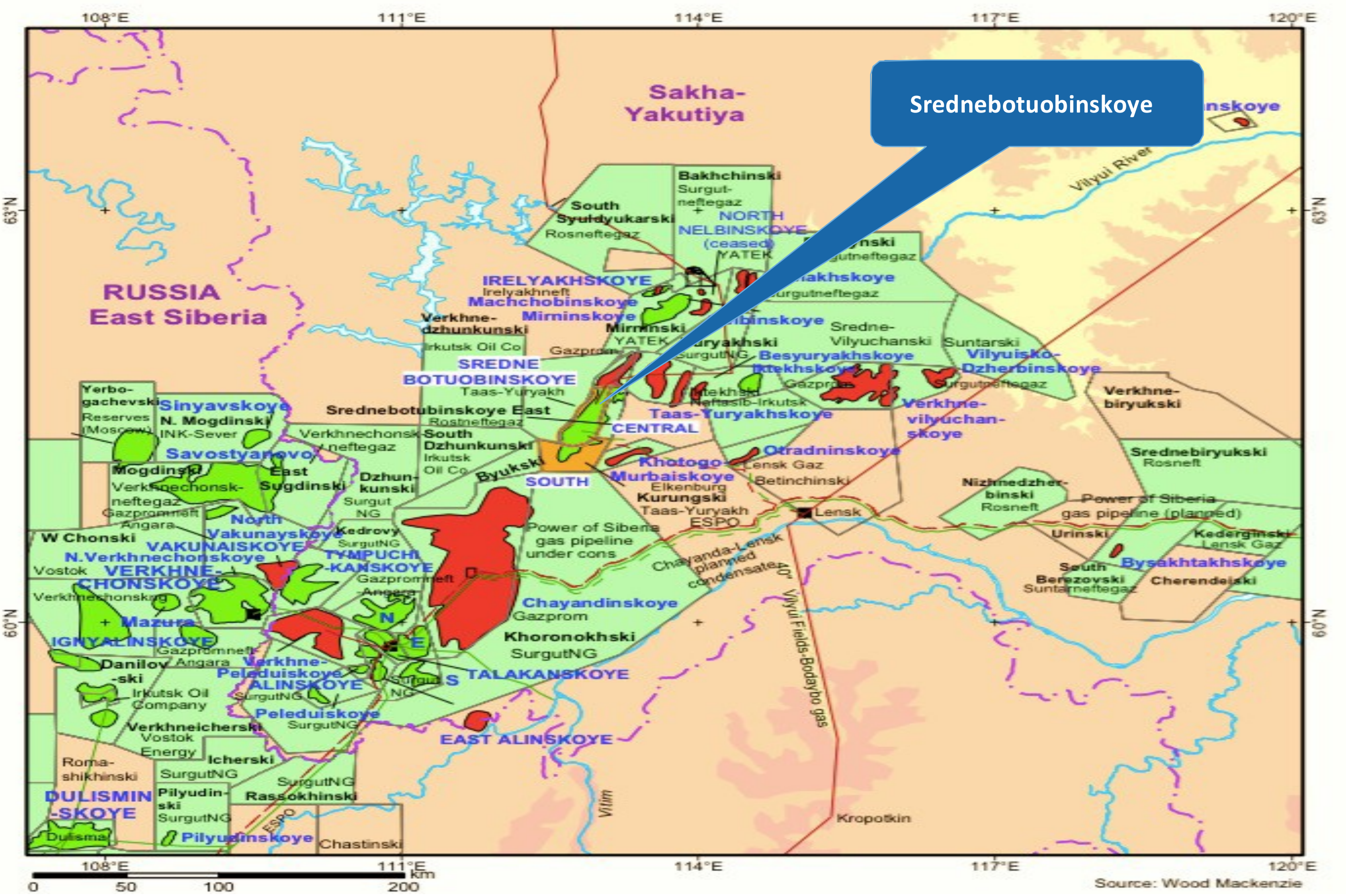
SPG aims to complete the acquisition of this project through a consortium with a Chinese state owned enterprise, with whom SPG has a cooperation agreement relating to the Taas-Yuriakh Project.

In terms of fiscal regime, the Taas-Yuriakh Project is subject to standard Russian tax/royalty terms, with the major taxes being a Mineral Extraction Tax (a royalty, payable in Russian Roubles) and an Export Tax (a tax levied on the export of oil and gas). The project benefits from several tax exemptions/reductions including a reduction in MET on oil until 2022 (on gas until 2033) and a reduced rate of corporation tax.

The Taas-Yuriakh Project is exceptionally well located to supply energy to East Asia. The East Siberian oil and gas basin is at the early stage of development and it is SPG's view that it will become one of Asia's primary energy sources. In 2014, Rosneft exported more oil to China than did Saudi Arabia. The East Siberia – Pacific Ocean ("**ESPO**") oil pipeline is constructed and operational, transporting oil to Vladivostok on the Pacific coast, as well as via a spur directly to China. The Power of Siberia gas pipeline is under construction and will transport gas directly to China. The Taas-Yuryakh project is located c.180 km from both of these trunk pipelines (stage 1 tie in to ESPO already constructed and operational).

SPG and Proposed Executive Directors believe that the acquisition of an interest in the Taas-Yuriakh Project represents an extremely attractive initial acquisition and that the strategic implications of an Eastern Siberian venture have not yet been fully grasped by upstream oil and gas participants which may give the Company significant first mover advantages.

Fig 4: Srednebotuobinskoye Field ("Taas-Yuriakh Project") Location Map

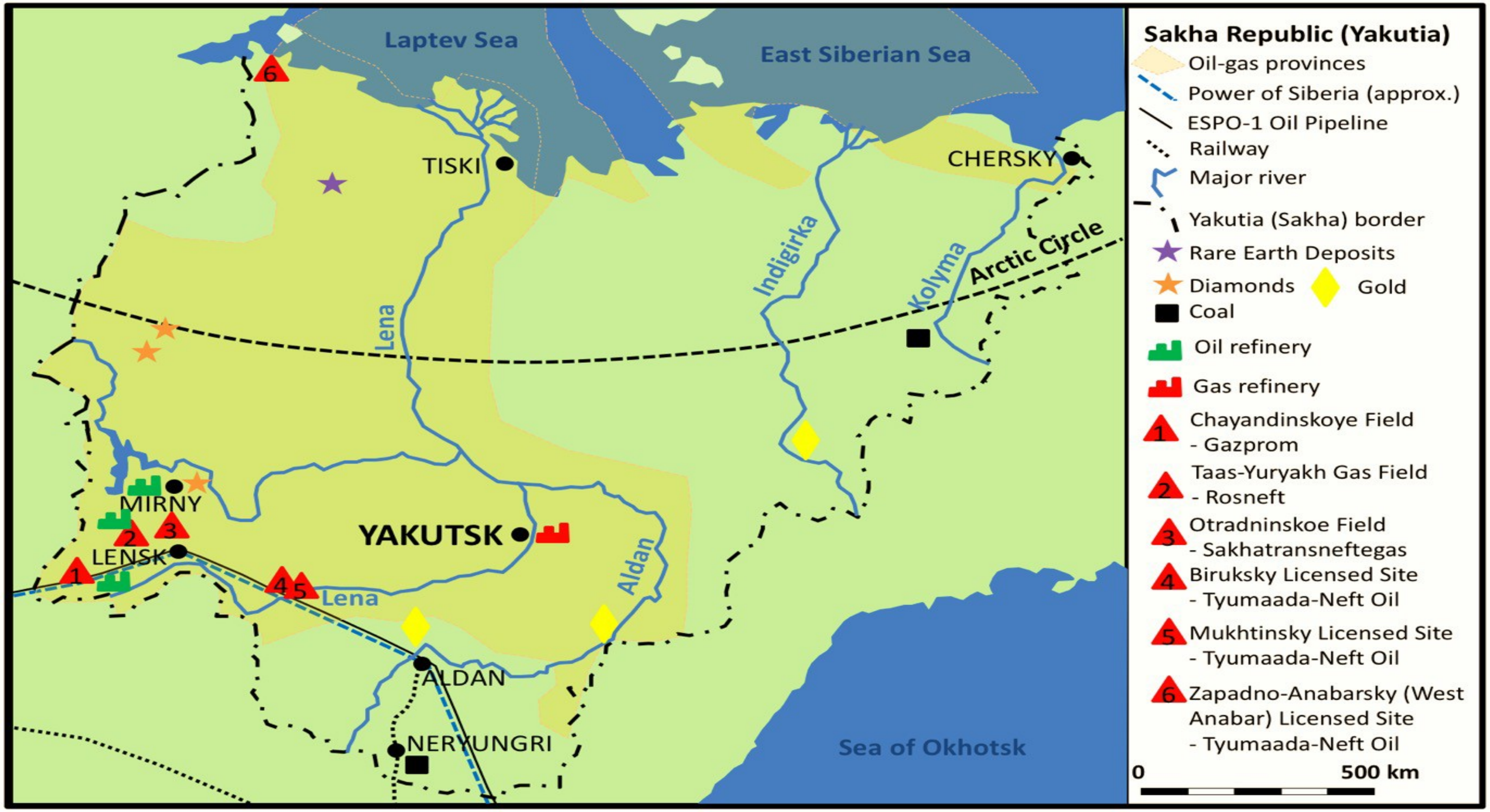


In addition to the Taas-Yuriakh Project acquisition, SPG has several MOUs to negotiate in order to acquire interests in other oil and gas condensate fields in Eastern Siberia, including:

- An MOU with the Sakha (Yakutia) State oil and gas company OAO Sakhatransneftegaz was signed in June 2015. This MOU concerns the Otradninskoye Gas Condensate Field, a field located to the east of the Taas-Yuriakh Project and in proximity to both the ESPO pipeline and the Power of Siberia pipeline. The Otradninskoye field has tested gas.

- SPG also has an MOU with local company OJSC Tuymaada Neft for exploration blocks located near to existing and planned pipeline infrastructure and may consider other projects in the Sakha (Yakutia) Republic.

Fig 5: Sakha (Yakutia) Projects Location Map[53]



[53] SPG Map

10. Overview of Specific Projects

10.1 Tajikistan Projects

10.1.1 General and Licensing

The Republic of Tajikistan operates a Production Sharing Contract or Investment Agreement system with cost recovery oil and profit oil. Percentages and the inclusion of other taxes such as royalties are negotiable. It also operates a corporate tax system (not oil and gas specific), with profits from operations taxed at in line with standard Tajikistan corporate and taxation law.

10.1.2 Location and Infrastructure

Infrastructure in the Republic of Tajikistan has improved significantly over the past five years, with a major (Chinese funded) road building campaign and the (Asia Development Bank funded) construction of electricity export networks. A major (25 BCM/y) gas pipeline running from Turkmenistan through Uzbekistan and Tajikistan to China ("**Line D**") is under construction. An internal railway network with links to Kyrgyzstan and Uzbekistan (and China via Kazakhstan) is in existence. A road, the "Pamir Highway" links Tajikistan to China via the Pamir Mountains in the east of the country.

In terms of oil, several small refineries exist in the country being both locally owned and Chinese owned.

10.1.3 Kyzyl-Tumshuk Investment and Operating Agreement ("IOA")

SPG's major asset in the Republic of Tajikistan is the Kyzyl-Tumshuk Field which is licensed to and owned by the State company, Naftugaz. SPG currently holds an Investment and Operating Agreement for this field. Naftugaz remains the owner of the license, but with SPG operating the field.

Under the terms of the IOA, SPG shall be responsible for all operations and operating expenses on the field and shall receive a percentage of the incremental oil and gas produced as a result of SPG's activities (70% whilst recovering costs and 50% thereafter). A 6% taxation royalty is applicable, but this is permitted for cost recovery purposes. SPG will pay local corporate profit taxes (15%) and other minimal fees. SPG entered into the Kyzyl-Tumshuk IOA in October 2015 and must commence works within 12 months.

Initial works will include workovers and recompletions followed by drilling to target both oil and gas production. SPG expects to commence operations in Q1 2016, subject to the Offers being successful.

The Kyzyl-Tumshuk field is licensed to and owned by the State company Naftugaz. Naftugaz remains the owner of the license but with SPG operating the field. As a state oil and gas company – being effectively part of the state – it is not considered a risk that Naftugaz would have their licence removed, however in the event of political instability, change of government policy, change of government, war, or civil disturbance, this may threaten the licence and the continuation of SPG's contract with Naftugaz.

Naftugaz, as a state company, has all rights to operations on the field and these rights also can be enjoyed by SPG under the IOA. No further approvals are necessary except as in the event that as yet unplanned extensions to the field were to be agreed which may impinge on private land thereby requiring negotiation with the landowner. At which point, an established system exists in Tajikistan for such negotiations and approvals. The current intention of SPG is to work within the field limits and as such, no other approvals are deemed necessary.

The IOA may be terminated if SPG does not meet its obligation to commence work on the field by 27 October 2016 (subject to a three month grace period). SPG expects to commence operations in Q1 2016, subject to the Offers being successful.

Under the terms of the IOA, any production from the wells under the IOA that is excess of the base production (being such production made up of the actual production of the well as of the date of the initial work programme, taking into account an estimate decline of the well's production and the estimated year that the well would cease commercial production without any further works being carried out) (i.e. "**Incremental Production**") will be shared between SPG and Naftugaz as follows:

1. SPG shall receive 70% of the Incremental Production from such wells until such a time that its operating costs associated with commercial production are recovered; and

2. where such costs referred to in point 1, above, have been recovered, both SPG and Naftugaz, each in their own right, shall receive 50% of the Incremental Production.

Any production that is established by SPG from wells that were not producing at the date of the initial work programme shall be shared between SPG and Naftugaz as follows:

1. SPG shall receive 70% of the production from such wells until such a time that its operating costs associated with commercial production are recovered; and

2. where such costs referred to in the sub-point, above, have been recovered, both SPG and Naftugaz, each in their own right, shall receive 50% of the production

Any production that is established by SPG from newly drilled wells shall be shared between SPG and Naftugaz as follows:

1. SPG shall receive 70% of the production from such wells until such a time that its operating costs associated with commercial production are recovered; and

2. where such costs referred to in the sub-point, above, have been recovered, both SPG and Naftugaz, each in their own right, hall receive 50% of the production.

Investors should be made aware that whilst the term of the IOA is fifteen years from the date of execution (October 2015), the licence is currently due for expiry on 29 July 2017, subject to renewal. Given Naftugaz's status as a state owned resources company and the dealings of SPG to date with Naftugaz, the board of SPG is highly confident that the licence under the IOA shall be renewed and does not view this as posing a genuine and substantial threat to the Company's operations in Tajikistan following the completion of the Public Offer. Nevertheless, investors should refer to Section 4 (Risk Factors) where the risks posed to organisations operating in Central Asia and fSU are outlined, such as political instability, war, change in government, or the inability to gain certain government licences or permits may affect the Company's operations.

10.1.4 East Supetau Investment Agreement

The East Supetau Investment Agreement (a form of PSC) is under negotiation between SPG and the Ministry of Energy and Water Resources of the Republic of Tajikistan. SPG currently holds an MOU with the Ministry granting SPG exclusive rights to negotiate for an Investment Agreement for all unlicensed portions of the Fergana valley, in the Soghd region of Northern Tajikistan. After extensive technical and commercial analysis, SPG has decided that the East Supetau area is the optimal location for exploration capital and will negotiate with the Ministry for an Investment Agreement for this area.

10.1.5 Regional Geology

Geologically, Tajikistan is mainly composed of high mountains such as the Pamirs, the Zarafshan, and Gissar mountains, but with the fertile Fergana valley in the north and the Khatlon valleys in the south-east. These valleys have associated sedimentary basins with hydrocarbon deposits.

10.1.6 South Tajikistan Geology

The Kyzyl-Tumshuk Field is in south-west Tajikistan. The Afghan-Tajik depression is located on a zone of intense negative gravity anomalies. The thickness of the earth's crust in the Afghan-Tajik depression changes from 45 kilometres over most of the depression to 55 to 60 kilometres along the eastern margin.

The Afghan-Tajik depression is an area of deep down-warping, whereby the basement is at a depth of 10 to 15 kilometres or more as determined by geophysical methods. The basement cannot be mapped because of the extreme depth. Marginal structural steppes, uplifted as much as 3 to 8 kilometres, surround the Afghan-Tajik depression. The major steps include the Dushanbe and Baysun steppes, and the North Afghan High.

Upper Cretaceous rocks are dominantly marine and grade eastward from carbonate into clastic rocks consisting of mostly mudstone and siltstone in the central basin and coarser clastic rocks on the basin margins. Limestone and marl beds are also present. Marine conditions continued through most of the Paleogene in the then combined Amu Darya and Afghan-Tajik Basin. The middle and upper Paleocene rocks (Bukhara Formation) is predominantly shallow-water carbonates, although some beds of clastic rocks and anhydrite are present. The proportion of clastic rocks increases northward and northwestward, whereas anhydrite beds and anhydrite inclusions in other rock types are present mainly in the southern areas.

The Afghan-Tajik Basin and the Amu Darya Basin formed a single Mesozoic to Paleogene sedimentary basin that existed until Neogene time. Collision of the Indian plate with the Eurasian plate at that time uplifted the southern portion of the basin and divided the northern portion into the Amu Darya and Afghan-Tajik Basins. Pre-Neogene basin history and stratigraphy of the Amu Darya and Afghan-Tajik Basins are similar, consisting of a Paleozoic to Triassic basement complex, Jurassic to Paleogene sedimentary cover, and Neogene to Holocene orogenic clastics.[54]

The USGS estimates that the estimated mean volumes of undiscovered, technically recoverable, conventional oil and gas resources for the Afghan-Tajik Basin Province are about 946 MMbbl of crude oil and 200 BCM of natural gas.[55]

10.1.7 Kyzyl-Tumshuk Field Overview

The Kyzyl-Tumshuk Field (alternatively known as the "Surkhsimo Field") is located in the western part of the Vakhsh megasyncline of the Afghan-Tajik Basin, which is itself an extension of the prolific Amu-Darya Basin of Turkmenistan and Uzbekistan. The field was initially interpreted on seismic in the 1940's, with the first discovery well drilled in 1959.

Four productive horizons have been identified within the structure – two in the Bukhara horizons of the Paleogene, and two in the Seonian of the Upper Cretaceous. Potential also exists in the Lower Cretaceous Hauterivian section.

Between 1959 and 1983 a total of 44 wells have been drilled on the structure, although only three wells are currently on production. Development of the Kyzyl-Tumshuk field has been hampered initially by technological constraints (Soviet-era drilling and production technologies) and latterly by financial constraints following the break up of the former Soviet Union.

It is the opinion of SPG's technical team and the Proposed Executive Directors that significant reserves remain in the previously drilled shallow reservoirs of the Paleogene and that there is additional potential in other reservoirs.

The Company plans a programme of well re-entries, logging, perforation and new drilling to exploit the remaining reserves.

[54] *Assessment of Undiscovered Technically Recoverable Conventional Petroleum Resources of Northern Afghanistan*, USGS, (2006)
[55] *Assessment of Undiscovered Oil and Gas Resources of the Amu-Darya Basin and Afghan-Tajik Basin Provinces*, USGS Fact Sheet 2011 2012.

Previous experience by SPG's team with similar fields elsewhere in the fSU drilled during the Soviet era indicates that the key to unlocking these previously untapped reserves may well be as simple as re-interpreting existing wireline data and locating previously unperforated productive horizons. An initial work programme has been developed for application on the field and, subject to the Offers being successful, the work programme will commence in Q1 2016.

Fig: 6 Structural Map of Kyzyl-Tumshuk

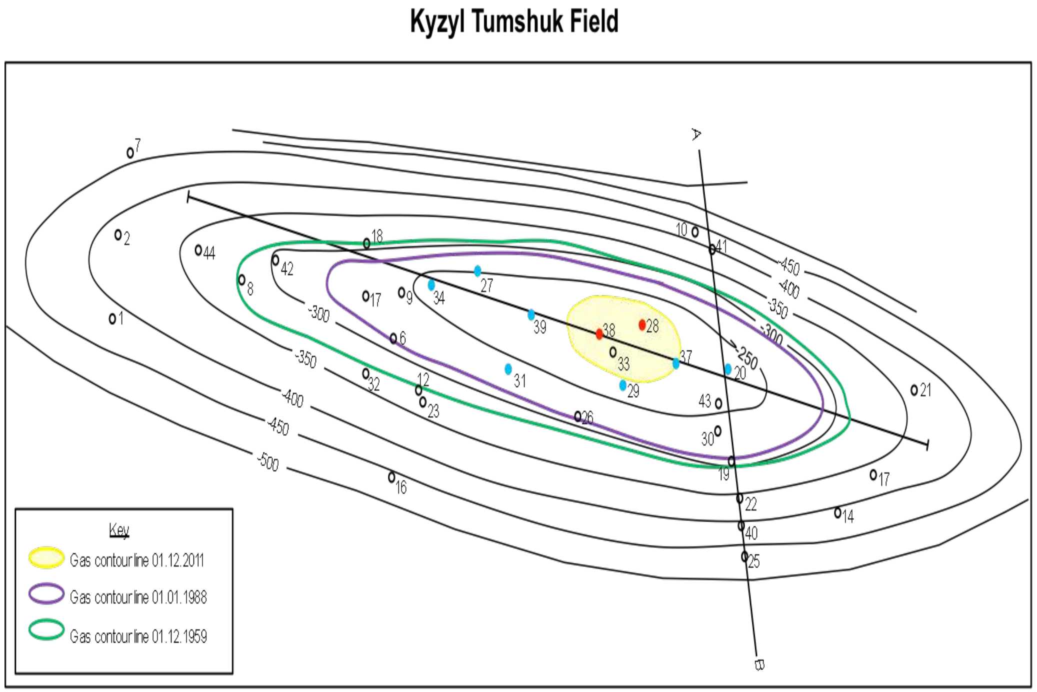
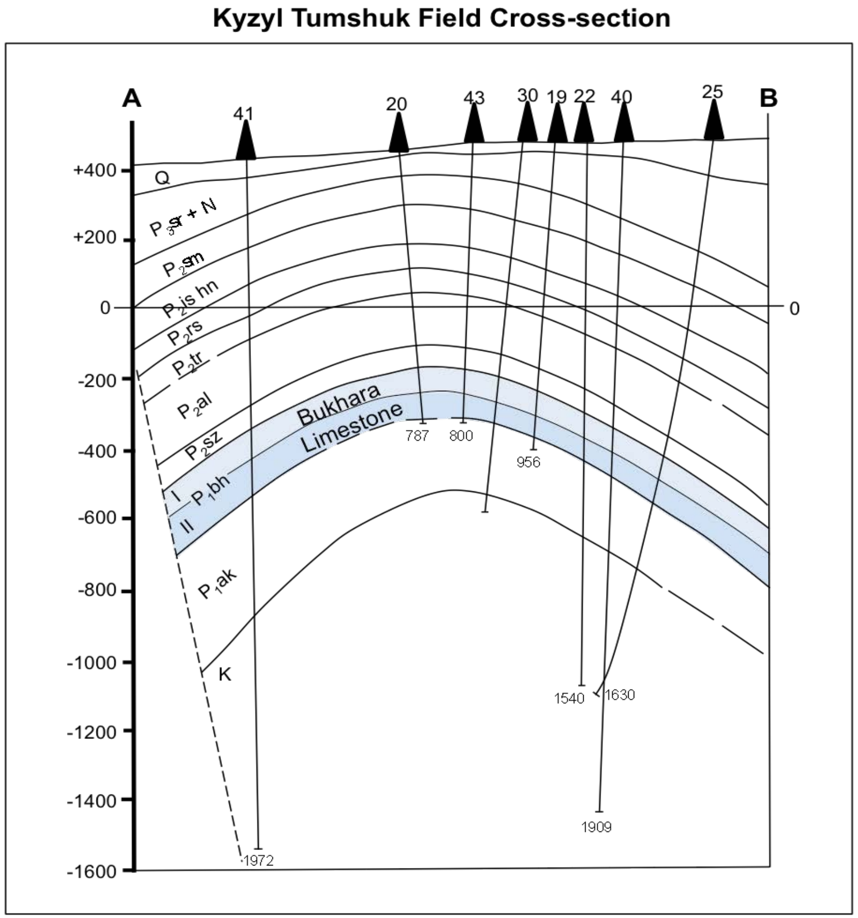


Fig 7: Geological Cross-Section of Kyzyl-Tumshuk Field



Horizons I and II are Bukhara formation of the Paleogene and are the main producing horizons. This rock is a regional shallow marine carbonate (limestone and dolomite, and interbeds of anhydrite) and is sealed by the overlying Suzak marine mudstones.

The porosity of the Bukhara formation has a basin average value of ±15%, with 200mD permeability (range: 1.6-1200mD). The source rock is likely to be Upper Jurassic marine basinal shales. Horizon IV and V are Senonian layers of the Upper Cretaceous. Previous drilling and production operations have proved that both oil and gas are present and it was established that Horizons I and II contain both oil and gas. The field is interpreted as a multi-horizon oil field with a gas cap.

The first oil flow was tested in 1949 in Well #2 of Bukhara formation. Total production from this well amounted to 18,800 barrels of oil. An additional 19,160 barrels of oil was produced from Well #17 in 1953 – 1957. Pilot production from Horizon I in Well #21 commenced in 1959 with initial daily rate of 698 bopd. Between 1957 and 1983, a total of 44 wells were drilled on the field. The first gas production was from horizon V within Senonian layers of the Upper Cretaceous.

No modern stimulation, workover, pumping or similar methods have been applied, nor have methods to ascertain hydrocarbon potential in untested or partly swept zones. Given this, SPG believes that utilising such techniques will result in meaningful additional production. Between 1964 and 2013, gas production continued from the abovementioned horizons and the gas reserves of horizon I were depleted in 2013 (no modern technologies were applied to this horizon). A workover was carried out on Well #38 in 2014 in order to extract the remaining gas reserves in the upper horizon and a pump jack was installed in Well #27 to produce oil from Horizon I.

Currently, the producing wells at Kyzyl-Tumshuk are Wells #28, 37 and 38, with a total operating stock of 10 wells:

- 3 producing wells (#28, 37, 38);
- 1 inactive well (#39); and
- 6 suspended wells (#27, 29, 31, 33, 34, and 35).

The suspended and inactive wells represent good candidates for initial workovers to establish early cash flow and to gather modern petrophysical and reservoir management data on the field in general.

In addition to this, taking into account the presence of remaining oil reserves in the central and northern parts, it would be appropriate to conduct rehabilitation and workover operations on abandoned wells.

It is also the opinion of SPG's technical team and Proposed Executive Directors that significant exploration upside may exist in the pre-salt horizons and that the oil rim will contain more oil than thought previously; particularly using modern techniques and technologies.

Following is a table summarizing results of the SPG prepared Kyzyl-Tumshuk PRMS reserve report. This is an SPG internal reserves assessment and is not an Independent Expert Report.

Fig 8: Kyzyl-Tumshuk Reserves

	1P	2P	3P
Oil (MMbbl)	2.60	**5.07**	17.43
Gas (Bcf) [Bcm]	4.11 [0.12]	**42.46** **[1.20]**	98.93 [2.80]
Barrels oil equivalent (Mmboe)	**3.29**	**12.14**	**33.92**

- Current reservoirs only – deeper potential.
- Current economically recoverable using modern techniques and technologies.

The economic assumptions used during the compilation of the SPG prepared Kyzyl-Tumshuk PRMS field reserve report were as follows:

- an assumed oil price of USD36/bbl in 2016 increasing to USD48/bbl by 2031
- an assumed gas price of USD153/mcm (USD 4.428/BTU) in 2016 increasing to USD206/mcm (USD 5.719/BTU) by 2031. One thousand cubic metres (mcm) is equivalent to 36.021 Million British Thermal Units (BTU).
- assumed inflation rates of 2% per annum
- assumed 15 year field life (in accordance with the minimum term of the IOA)
- the economically recoverable reserve cut off was based on a 10% discount rate.
- the million barrels of oil equivalent (Mmboe) measure used is a unit of energy based on the approximate energy released by burning one barrel (42 US gallons) of crude oil. United States Geological Survey (USGS) figures are generally used in which one barrel of oil is generally deemed to have the same amount of energy content as 6,000 cubic feet of natural gas. This is the conversion factor used in order to derive barrels of oil equivalent in the SPG report.

The economic analysis performed to assess commerciality evaluated the technical reserves of the field and inserted them along with a costed work programme for drilling and production facilities into an economic model (discounted cashflow model) using reasonable economic assumptions (shown below). The subsequent economically productive volumes for the IOA were then classified in accordance with PRMS as reserves of oil and gas (that are technically and economically recoverable) on an after tax basis using a 10% discount factor. The economic inputs used were as follows:

- Oil price of $36/bbl in 2016 increasing to $48/bbl by 2031
- Gas price of $153/mcm (USD 4.428/BTU) in 2016 increasing to USD206/mcm (USD 5.719/BTU) by 2031
- Inflation rates of 2% per annum
- 15 year field life (same as IOA term)
- Present economic value and reserves cut-off calculated using a 10% discount rate.

The entity has operator interests in the Tajik asset, under an 'Investment Operating Agreement' signed between the Company and the licence holder, Naftugas. The operator is entitled to conduct activities and operational work. Under the terms of the IOA, SPG as the operator shall be responsible for all operations and operating expenses on the field and shall receive a percentage of the incremental oil and gas produced as a result of SPG's activities (70% whilst recovering costs and 50% thereafter). A 6% taxation royalty is applicable, but this is permitted for cost recovery purposes. SPG will pay local corporate profit taxes (15%) and other minimal fees.

A large number of wells (44) have been drilled on the field since it was discovered and the presence of producible hydrocarbons has been demonstrated. Indeed there are currently 3 existing wells currently producing oil and gas from the Kyzyl Tumshuk field and the oil and gas is exported to local markets. Volumetric and performance based methods were utilised to calculate the range of reserves. The reserves are based on evaluation of the available data and a planned work programme. The rock and fluid property data were used to determine the volumes and the planned base work programme was applied along with economic modelling to determine the commercially recoverable volumes.

In respect of extraction methods, the planned work program includes the workover and perforation of the wells and the production of the remaining hydrocarbons. The wells will be produced with standard oilfield practices, in this case by the use of standard artificial lift technology (sucker rod pumps, 'SRP's). Currently there are 3 wells on production, 2 are equipped with SRP's and 1 well is flowing naturally. There is no requirement for specialised processing equipment following extraction since the produced hydrocarbons do not contain any significant levels of H_2S (hydrogen sulphide) or CO_2 (carbon dioxide).

Since additional investment (such sum included in the use of funds under the Public Offer) is required in order to recover the incremental reserves SPG consider them to be ‘undeveloped’ rather than ‘developed’.

The field status is that of a discovered oil and gas field with existing production of oil and gas.

Development of the field by SPG is anticipated to commence in 2016 with a campaign of working over existing wells which are currently closed in and require work to bring them onto test production. Based on results of the initial phase of work and results of production testing it is then planned to drill or workover additional wells in the field to optimally produce the reserves. SPG will be entitled to a share of the incremental production resulting from its activities, under the terms of the IOA.

The oil and gas will be marketed locally within Tajikistan and there is demand for both oil and gas. Several refineries are operating and the oil would be trucked and sold to the domestic market. The gas would be exported to the capital city, Dushanbe. Infrastructure for exporting the products is already present in the country. The field is connected to Dushanbe via a gas pipeline, and trucks are available for exporting the oil to local refineries.

Additional infrastructure at the field itself such as extra surface tanks and metering equipment are planned as part of the work programme. There is no specific approval, however an environmental baseline study must be completed prior to starting the field workover operations, a contractor has been identified for this work and it is planned to be completed in the near future.

Competent Expert’s Consent. The information in this section is based on an the internal assessment of the reserves of the Kyzyl-Tumshuk field based on the information compiled by and under the supervision of Mr. Rudi Kriechbaum who is a professional petroleum engineer. Mr. Kriechbaum is employed by Skyland Petroleum Group Limited and therefore investors should note that the information on the Kyzyl-Tumshuk field has not been prepared by an independent third party. Mr. Kriechbaum has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Expert as defined in the 2005 Edition of the VALMIN Code (but it again is noted that Mr. Kriechbaum is not an “independent” or an “Independent Expert" as defined in the 2005 Edition of the VALMIN Code and therefore this internal reserves assessment is not to be deemed as an Independent Expert Report (as defined in the 2005 Edition of the VALMIN Code)).

Mr. Kriechbaum has 28 years of experience in the oil and gas industry and is currently employed as a petrophysicist. He holds a Masters Degree in Petroleum Engineering from the Mining University Leoben in Austria, has held training positions with Shell and Texaco, is a member of the SPE (Society of Petroleum Engineers) and is qualified to provide such an assessment included in this Prospectus. A detailed reserve report has been prepared in accordance with SPE-PRMS (Society of Petroleum Engineers Petroleum Resources Management System) and the information in section 10.1.7 has been taken from that report, which has an effective date of 25 October 2015. Mr. Kriechbaum consents to the inclusion of this information in this Prospectus in the form and context in which it appears.

10.1.8 Northern Tajikistan Geology

The Fergana basin can be described as a compressional structural basin,[56] with extensive high-angle reverse faults postulated particularly for its northern flank. Some high-angle over-thrusts also occur along the basin’s southern flank. The latest large-scale tectonic movements occurred during Miocene-Pliocene (Neogene) time, with high-mountain growth along the basin’s margin. Debris shed from these mountains resulted in a molasse of clastic materials in the basin’s centre. In places these materials approach a thickness of roughly 8 kilometres.

Most oil-gas discoveries are related to anticlinal traps, which are east-west trending, faulted, and associated with basin-margin tectonics. Fields usually contain multiple reservoirs with oil and gas zones from Pliocene (upper Neogene) age to Permo-Triassic age. Such multi-zone, relatively shallow distributions are attractive to explorationists. In the Fergana basin, the most-shallow pay zones are thought to have been found but deeper potential certainly exists.

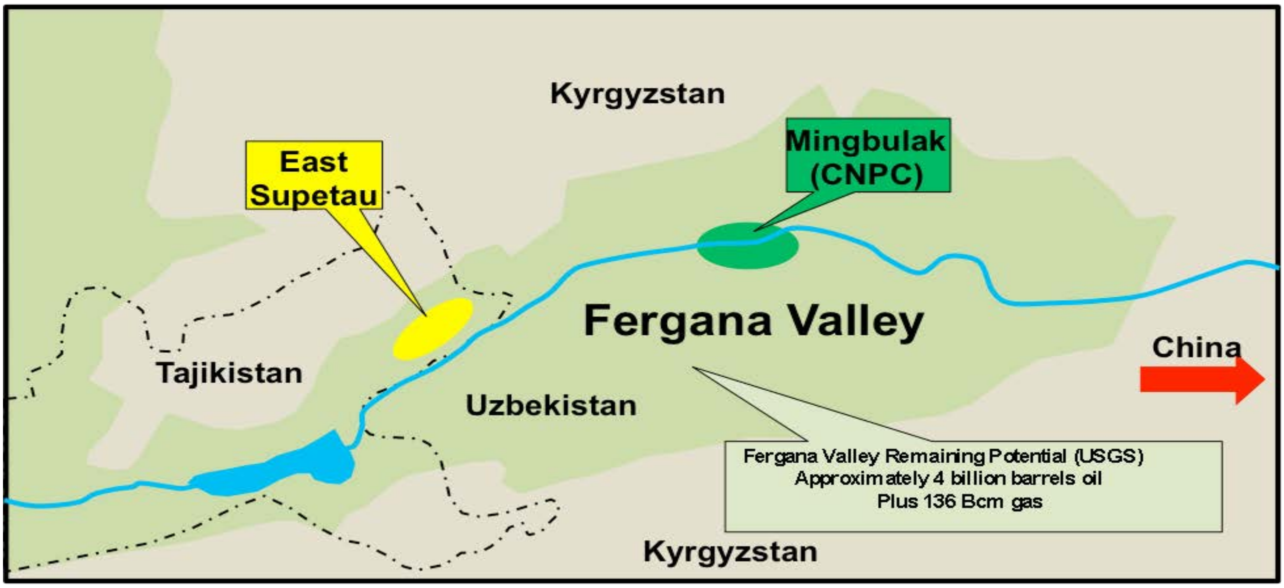
Whilst modern available data for the Northern Tajikistan exploration area is minimal, trends observed in the Fergana Depression and in nearby offset wells indicate that the East Supetau structure has excellent exploration potential. The geological structure of East Supetau is analogous to the large Mingbulak oil field in nearby Uzbekistan, being an elongated anticline sitting at the very edge of the Central Graben, near to the northern flank of the Fergana Depression.

10.1.9 East Supetau Overview

The proposed East Supetau Investment Agreement covers an area of the Fergana basin of northern Tajikistan, although the ultimate area awarded may be smaller.

[56] *Oil and Gas Resources of the Fergana Basin*, EIA, 1994

Fig 9: Location of East Supetau Structure in Relation to Mingbulak



The principal targets on the East Supetau structure are envisaged to be the Neogene and the Paleogene formations. It is from the Neogene formation that Mingbulak Well #5 blew out at over 100,000 bopd,[57] and it is suspected that this formation was also encountered in East Supetau Well #5, although it was never tested as a result of the blowout.

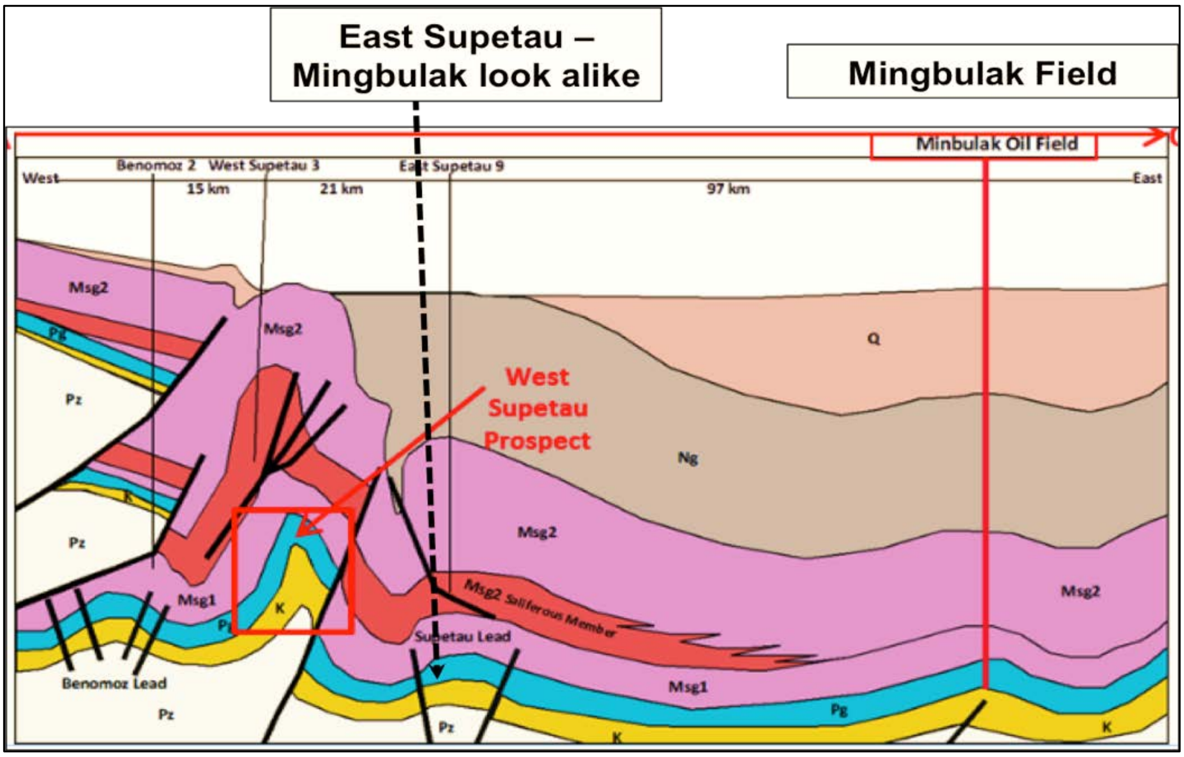
In Mingbulak Well #3, the Paleogene flowed 494 bopd of 42° API oil from a depth of 5,850m[58]. It is expected that all East Supetau wells will be HPHT (high pressure – high temperature). Original reservoir pressures at Mingbulak are cited as 15,875 psi at 5,860m, and in East Supetau Well #7 as 11,054 psi at 4,586m.[59]

Oil shows were encountered whilst drilling at a depth of 4,320m in East Supetau Well #7, but the well was subsequently (like all wells drilled to date on the East Supetau structure) abandoned 'for geological reasons' (this terminology tends to refer to technical difficulties encountered whilst drilling). SPG believes that by utilizing modern drilling technology and petrophysical analytics, the East Supetau structure represents an exciting exploration play.

SPG will work toward the completion and award of the East Supetau IOA in 2016 (although this cannot be guaranteed) and anticipates commencing exploration activities in late 2016 or early 2017.

[57] *Oil and Gas Reserves of the Fergana Basin*, EIA 1995
[58] *Oil and Gas Reserves of the Fergana Basin*, EIA 1995
[59] *Oil and Gas Reserves of the Fergana Basin*, EIA 1995

Fig 10: East Supetau and Mingbulak Geological Structures[60]*



10.1.10 Oil and Gas Commercialisation

The Republic of Tajikistan suffers from a lack of energy of all types. Gas supply is extremely limited, with domestic production low and the only source of imported gas being via a pipeline from Uzbekistan (with this pipeline frequently being shut in). Residential users rely primarily on wood and coal for heating and power, with around 70% of the population suffering blackouts during the winter.[61]

The country does have significant hydropower capacity and exports electricity to Afghanistan and Pakistan via the North European Pipeline System ("**NEPS**") in the summer, but in the winter the frozen rivers mean that there is no hydropower available.

In terms of oil commercialization, there are several small refineries in the country that actively purchase oil at reasonable prices (approximately 60 – 70% of Brent). Petroleum products are primarily consumed domestically, with small-scale exports of heavy fuel oil to China and lighter products to Afghanistan. The road network is well developed for access to the Kyzyl-Tumshuk field and a railway system is present in the north (for the Supetau area) and south of the country.

In terms of gas, the major trunkline, "Line D", from Turkmenistan and Uzbekistan to China is under construction and represents a potential commercialization route when it is completed. A domestic gas pipeline runs from the Kyzyl-Tumshuk field to Dushanbe and industrial consumers such as fertilizer plants, brick factories and others are keen buyers of gas at high (close to Chinese export) prices.

As commercialisation opportunities in Tajikistan are plentiful and high domestic prices are in existence, SPG will look to initially commercialise oil and gas production into the domestic market. In the event that major oil or gas production is achieved, the Company will consider the economic benefits of exporting production. There is no domestic supply obligation in the country and companies are free to export crude oil, natural gas, electricity and petroleum products.

[60] *Oil & Gas Resources of the Fergana Basin*, EIA 1995
* Modified from Manas Petroleum Corporation
[61] *Tajikistan's Winter Energy Crisis: Electricity Supply and Demand Alternatives*, World Bank, 2012

10.2 Georgia Project

10.2.1 General and Licensing

Following the collapse of the Soviet Union in 1991, funding for the oil and gas industry in Georgia ceased. This, combined with a civil war between 1991 and 1993, effectively destroyed the Georgian oil and gas industry. All exploration ceased, and many producing oil fields fell into disrepair and ultimately into abandonment.

In the early 1990's the territory of Georgia was divided into small license blocks and today, the Georgian oil and gas industry is focused upon the rehabilitation of existing fields through the application of modern technologies, and exploration for new fields – both onshore and offshore and both conventional and unconventional.

The Georgian government actively promotes oil and gas exploration and production and operates a PSC license system, whereby investors are guaranteed fiscal stability for the duration of the contract. Production Sharing Contracts are awarded after a competitive tender process. Taxes are not applicable and instead oil and gas produced from the license area is shared between the investor and the state. Signature bonuses and commercial discovery bonuses are in effect on most licenses.

Fig 11: Georgia – Location Map

10.2.2 Location and Infrastructure

Licence Block XI^{G} is located on the outskirts of the capital city of Tbilisi (population 1.2 million) and has excellent road and rail links nearby. Due to its location on a transit route from Azerbaijan, Georgia is well served with oil and gas export pipelines as well as rail corridors and deep-water ports.

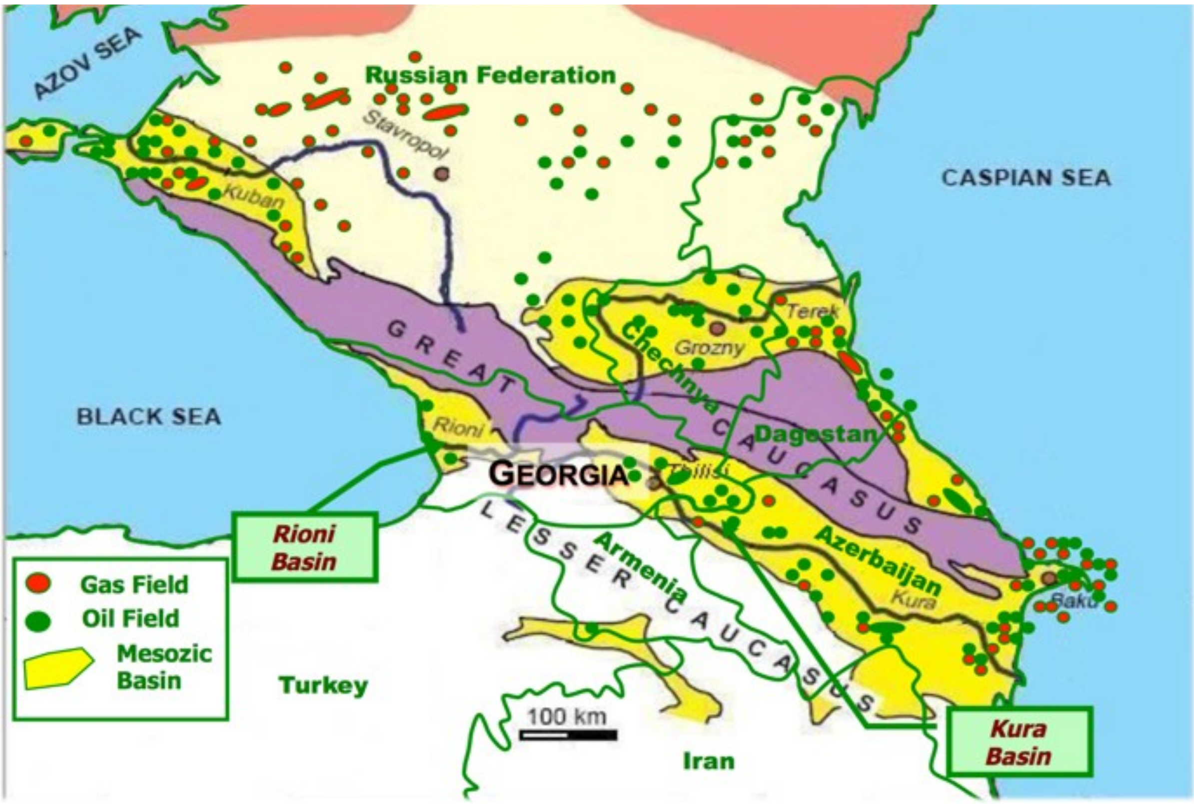
The Baku-Tbilisi-Ceyhan ("**BTC**") oil pipeline runs from the Caspian Sea to the Mediterranean, and has a capacity of 1 MMbopd, and there are plans to extend this pipeline into Europe. The BP operated Baku-Supsa pipeline has a capacity of 145,000 bopd and runs from Baku on the Caspian Sea to the deepwater port of Supsa on the Georgian Black Sea coast. The deepwater port of Supsa, close to the city of Batumi, is in itself a significant asset, permitting both the export of oil and the import of equipment to support any potential oil and gas development in Georgia.

10.2.3 Geology of the Kura Basin

The Georgian oil fields belong to the Black Sea and Caspian Sea hydrocarbon provinces. The geology of Georgia is dominated by an east to west trending intermontane depression, which lies between the Greater and Lesser Caucasus Mountains. The basin is a late Tertiary back arc, formed as a result of Alpine/Himalayan compression. The basin itself is divided into two parts – the Rioni Basin in the west, bordering the Black Sea and the Kura Basin in the east. These two basins are separated by the intrusive and metamorphic rocks of the Dziruli Massif. Of the 18 oil and gas accumulations discovered to date in Georgia, 15 of them are located in the Kura Basin – including the prolific Samgori-Patarzeuli field. Licence Block XI^G lies in the Kura Basin.

The source rock for the Kura Basin is the prolific Oligocene-Miocene Maikop Shale. The Maikop is an organic-rich marine sediment up to 2.5km in thickness. To date the principal targets in the Kura Basin have been a series of east-west trending high relief features where younger rocks have been overthrust over Mesozoic rocks.

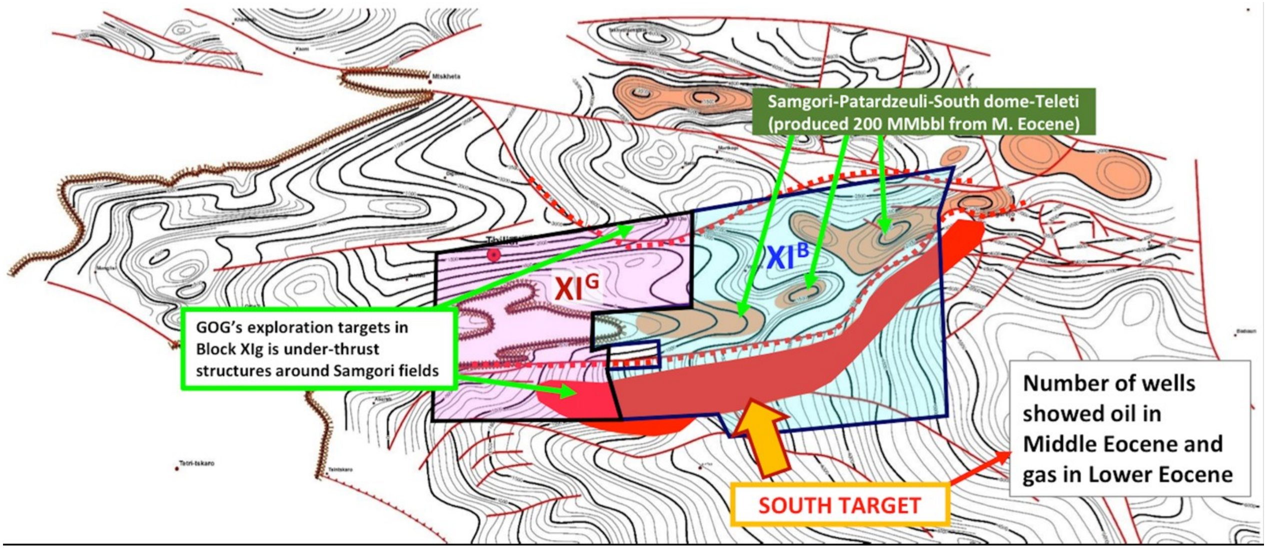
Fig 12: Tectonic Map of Georgia showing location of Kura Basin[62]



Block XI^G covers an area of approximately 300 km^2 and lies due west of the producing oil fields of Teleti and Samgori-Patardzeuli.

[62] Geological Society of London Special Publication, SUP18626, 2013

Fig 13: Location of Licence Block XI^G in relation to existing oil fields in the Kura Basin[63]



10.2.4 Transaction Terms

The Block XI^G licence is held under a PSC issued in 2011 and acquired by GOG in 2014. The licence expires in 2036 and contains an automatic 5-year extension period. The outstanding work commitment on the licence as detailed in the PSC (and its respective amendment) is the drilling of one well by February 2016 (this will be the Kumisi #2 exploration well) which is currently being undertaken. The license covers an area of 289 km^2.

All taxes for the contracting parties the PSC are paid for by the State from the production split. The cost recovery ceiling is 50%, and the profit oil/gas split is 40% until all costs are recovered and 35% thereafter. A royalty of USD2 per barrel is in effect and this royalty is stabilised for the duration of the contract.

In addition, a commercial discovery bonus of USD5.5 million (gross) is payable upon the commencement of commercial production. No VAT is applicable on oilfield operations and no export taxes or duties are in effect. The Georgian Government has an optional back-in right (such back in right being market practice for the issuance of any typical PSC in Georgia, and further more never before used under any PSC in Georgia to date) of up to 25% under the PSC with payment of appropriate compensation and future obligations.

The Georgian project will be operated in collaboration with a local partner, Georgia Oil and Gas Limited ("**GOG**", as defined above). GOG is long-established local company with a strong engineering, operating and technical team in country, and with extensive experience in Georgia, including discoveries (the Manavi & Norio structures), field rehabilitation and exploration programmes. GOG owns a number of drilling and workover units in country, more than adequate to fulfil the Block XI^G work programme.

GOG has a net acreage position of some 6,500 km^2 in Georgia, with working interests in 9 Production Sharing Contracts. Its portfolio includes production, development and exploration contracts.

A summary of the key Block XI^G terms is set out below:

[63] Georgia Oil & Gas Limited Farm-in Proposal for Block XI^G, July 2015

Block XI^G PSC Terms		Commercial Terms	
Land Area	289km^2	**Capex Recoverable Expenses Max**	50%
Historical Drilling	4 structural wells	**Profit Gas**	40%
Historical Production	n/a	**Profit Oil**	35%
Commercial Discovery Bonus	USD5,500,000	**VAT**	No VAT on petroleum operations and Export tax on sales oil are applicable
State Back-in Option	25%	**Income Tax**	Zero to Contractor
Regulation Fee	USD2/bbl	**GOG Participating Interest**	100%

SPG is forecast to come into the Block XI^G project through the acquisition of a wholly-owned GOG subsidiary, Tbilisi Petroleum Limited ("**TBPL**").

As at the date of this Prospectus, TBPL holds 1% of the contract rights under the PSC and will, upon completion of the acquisition, receive a re-adjustment of the PSC interest between the contractor parties to the PSC through the assignment of 19% of the contract interest from an existing affiliate under the PSC (such affiliate also being a wholly-owned subsidiary of GOG).

The share capital of TBPL (and the rights it has under the PSC) will be acquired from GOG for consideration of USD2,000,000; representing an investment into the work programme and repayment of back costs to GOG. In turn, this will translate into an effective carry for SPG of USD1,160,000 to gain a 20% working interest in the PSC, with USD840,000 as SPG's equity share of well costs.

These funds will be used to partly fund the drilling and completion of the Kumisi #2 exploration well (which is currently operating as at the date of this Prospectus). The well is estimated to cost USD4,200,000 and has, to date, been funded by GOG.

SPG will enter into a deed of variation of the existing Joint Operating Agreement (the "**JOA**"), such existing JOA being framed in the majority on international norms and being consistent with the Model JOA provided by the AIPN.

The Share Purchase Agreement ("**SPA**") to finalise this acquisition of TBPL by SPG is in final stages of negotiation, with both parties prepared to sign in the immediate future subject to the execution of some ancillary documentation and the completion of the Offers.

One such ancillary document being the Assignment Agreement – which will re-adjust the contract interest held by TBPL under the PSC from 1% to 19%. This Assignment Agreement shall be executed on or around the date of the SPA, but shall only become effective upon completion of the acquisition.

During the interim period (the timeframe between execution and closing), SPG and GOG will coordinate to receive acknowledgement from the Georgian State Agency for Natural Resources who will acknowledge this Assignment of rights, such acknowledgement not being a strict legal requirement but demonstrating a direct relationship with the Government of Georgia and providing confirmation of title in respect of the re-adjustment of 19% of the interests under the PSC in favour of TBPL (and, ultimately, its proposed owner, SPG).

Following completion, the Block XIG project will be owned as follows:

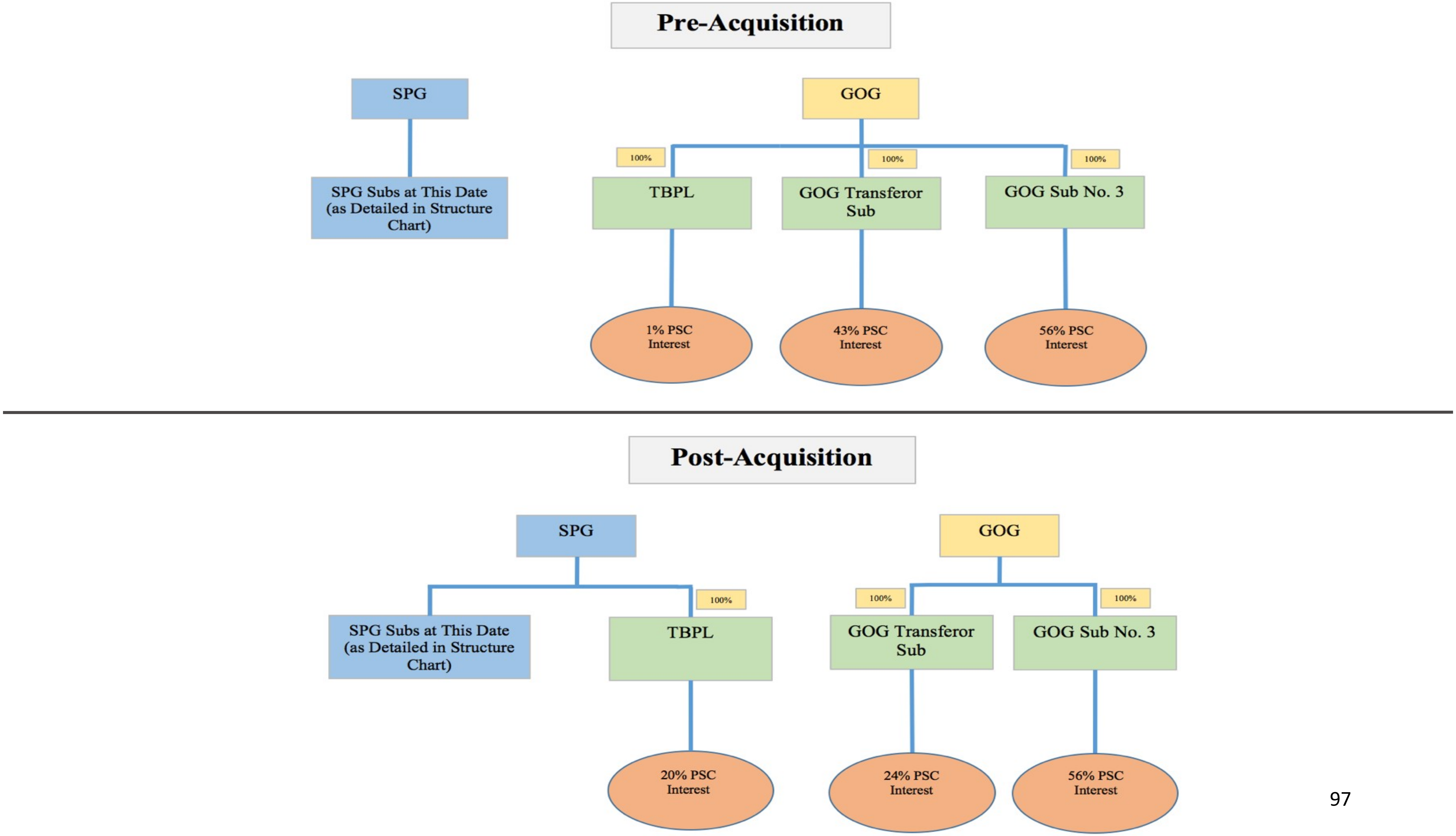
GOG (Operator):	60% (minor security over its interest to some GOG lenders)
SPG:	20%
Georgia Oil and Gas Corporation:	20 % (assuming that it exercises its conversion right on its USD 2 million of debt to GOG)

Proposed investors should refer to the Gustavson Associates LLC report at Section 11 for a summary of the geological potential of the site.

Following discussions with the Operator in relation to this Block XI^G the Directors of SPG are confident that the Kumisi #2 well will encounter moveable hydrocarbons in the near future following the acquisition of TBPL.

The completion of the Block XI^G transaction is subject to the completion of the Offers which will provide SPG with the requisite funds to satisfy the consideration requirements under this transaction.

Fig 14: Pre and Post Acquisition Structure Charts for the Block XI^G Transaction



10.2.5 Block XIG Forward Plans

The first well in the Block XI^G Work Programme is Kumisi #2 (currently operating), primarily targeting oil in the Middle Eocene (1450 - 1700m). The well plan is for a horizontal well, targeting a conventional, under-thrust play alongside a sealing fault. The aim of this horizontal well is to break into a number of isolated reservoir compartments, and the well has been orientated so as to intersect the greatest number of fracture sets; which are understood to be running in a predominantly North/South orientation. As such, the well plan is designed to optimise both vertical and lateral reservoir connectivity. The Kumisi #2 well will also investigate a deeper (2000 – 2500m) Lower Eocene gas play. The nearby West Rustavi 30 well produced 26,000 M^3/day of gas from a similar Eocene play.

In addition to the Kumisi #2 prospect, new gravity data also indicates the existence of up to three additional prospects in Block XI^G.

Fig 15: Planned Trajectory of Well Kumisi #2[64]

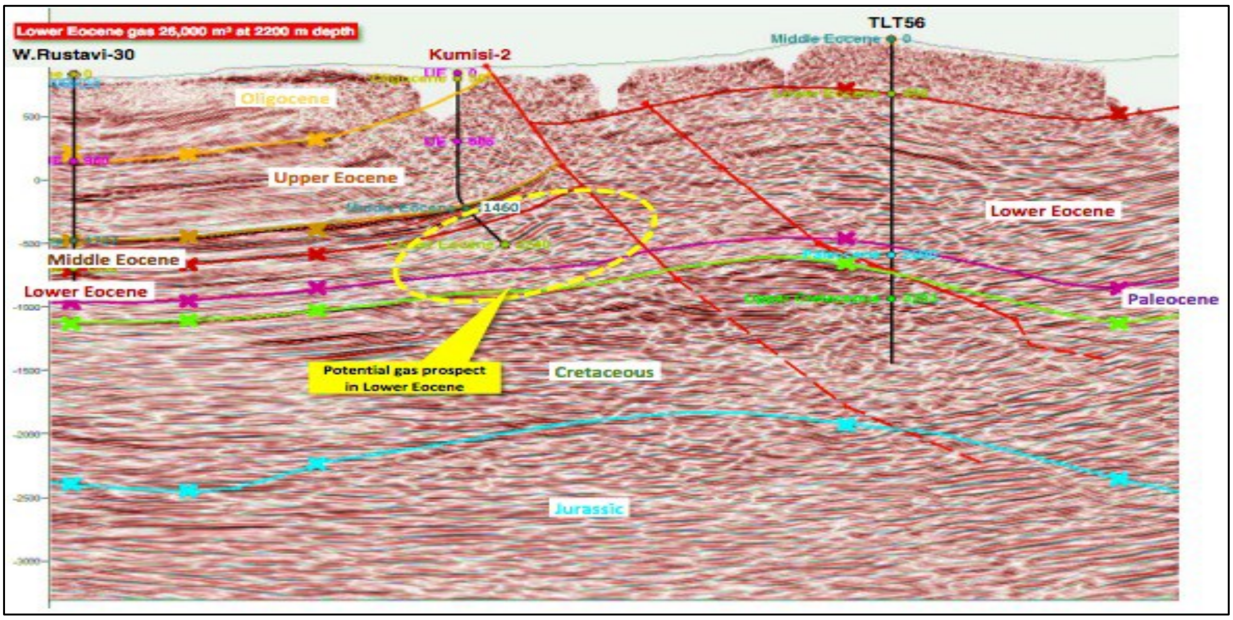
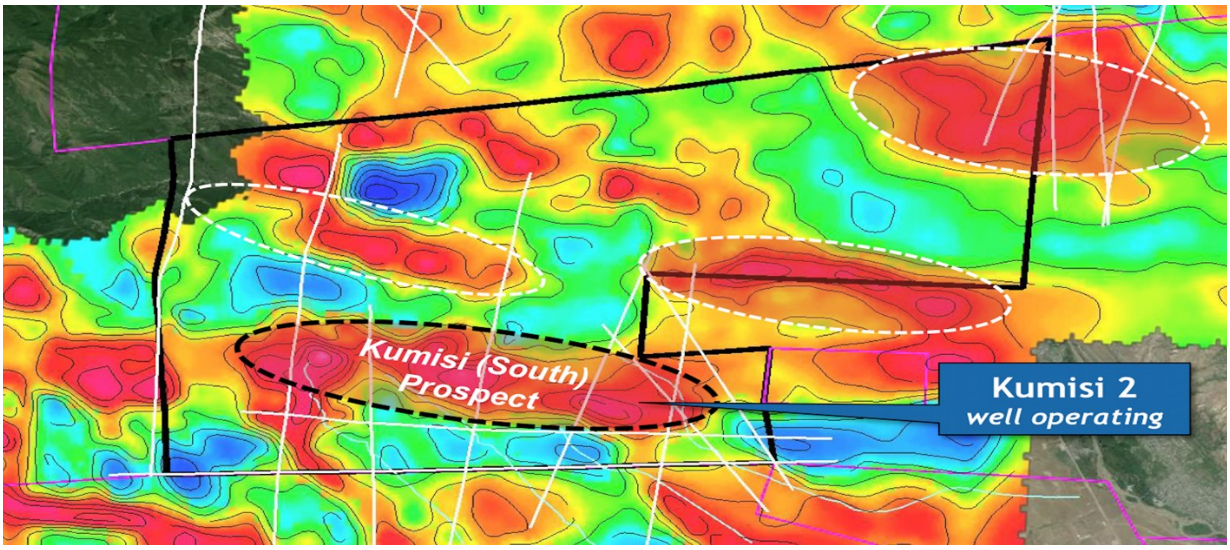


Fig 16: Residual Gravity (Anomalies Map) Indicating the Presence of Additional Prospects in Block XI^{G}[65])



[64] Georgia Oil & Gas Farm-in Proposal for Block XI^G, July 2015
[65] Georgia Oil & Gas Farm-in Proposal for Block XI^G, July 2015

10.2.6 Georgia Block XIG Resources

An Independent Geologist's Report compiled by Gustavson Associates LLC is included in Section 11 in respect of License Block XI^G.

10.2.7 Oil and Gas Commercialisation

Georgia offers significant opportunities for the commercialisation of oil and gas. Oil prices received are priced based upon Brent, and crude oil is in demand in the domestic market as well as having an access route to world markets via the BTC pipelines and the Supsa deepwater port.

In terms of gas commercialisation, gas prices in the country are high, as well as having a gas pipeline linking Georgia to Turkey, where prices are very high. Under the terms of the Block XI^G PSC oil and gas can be freely exported to any buyer.

10.2.8 Consent

In accordance with chapter 5 of the ASX Listing Rules, the geological information in this section of the Prospectus is based on information compiled by Dr. David Robson, Managing Director of Skyland Petroleum Group Limited. Dr. Robson holds a First Class Honours degree in Geology from the University of Newcastle upon Tyne, England and a Ph.D. in Geology and Geochemistry from the same university. He has over 30 years of oil and gas exploration, appraisal and development experience and has carried out numerous oil and gas reservoir evaluations and exploration prospect evaluations and resource and reserve estimates on projects globally working for majors and independent oil and gas companies. He is a Fellow of the Geological Society, a member of the European Association of Geoscientists and Engineers, a member of the Society of Petroleum Engineers and a member of the American Association of Petroleum Geologists. He qualifies as a Qualified Petroleum Reserves and Resources Estimator ("**QPRRE**"). Dr. Robson consents to this work being used in this document.

Gustavson Associates LLC has been engaged by the Company to prepare the Independent Geologist's Report in Section 11 of this Prospectus.

Evaluation of Prospective Resources
Technical Assessment Report
Skyland Petroleum Group Ltd.'s Interest in License Block XI^G
Republic of Georgia

Prepared on Behalf of

MUI Corporation

03 December 2015

Submitted By:

GUSTAVSON ASSOCIATES
5757 CENTRAL AVE. SUITE D BOULDER, COLORADO 80301 USA
Independent Qualified Reserves Evaluators

Evaluation of Prospective Resources
Technical Assessment Report
Skyland Petroleum Group Ltd.'s Interest in
License Block XI^G
Republic of Georgia

Prepared on Behalf of

MUI Corporation

03 December 2015

Letha C. Lencioni
Registered Petroleum Engineer
State of Colorado #29506
State of Wyoming #8493

GUSTAVSON ASSOCIATES
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Independent Qualified Reserves Evaluators

1. EXECUTIVE SUMMARY

Gustavson Associates, at the request of MUI Corporation Limited ("MUI") has been retained to provide an estimate of the Prospective Oil and Gas Resources for the South Prospect in License Block XI^G in the Kura Basin and Achara-Trialet Thrust Belt of the Republic of Georgia.

Georgia Oil and Gas (GOG) owned 100 percent interest in a production sharing contract for License Block XI^G. On November 13, 2015, Skyland Petroleum entered into a Heads of Agreement to acquire a 20 percent interest in the Block. Skyland's 20 percent interest in License Block XI^G is evaluated in this report.

The Prospective Oil and Gas Resource estimates provided in this Report are based on a review of a conventional oil and gas prospect presented by GOG. The prospective reservoirs are in Eocene-aged and Cretaceous-ages rocks. The methodologies used for the estimate presented herein were to review the available seismic data review well data and available analogous reservoir data, select parameters for likely distributions of reservoir parameters, and prepare a probabilistic resource estimate.

"Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development."[1]

Categorization for the range of uncertainty according to the Petroleum Resources Management System[2] corresponds to the key points in the resource distribution as follows: the 50 percent or P_{50} point (Best Estimate), the 90 percent or P_{90} point (Low Estimate) and 10 percent or P_{10} point (High Case). The P_{50} probability value for each distribution is considered the most likely estimate of potential resources.

[1] *Petroleum Resources Management System*, Society of Petroleum Engineers (SPE), March 2007, Page 3.
[2] *Petroleum Resources Management System*, Society of Petroleum Engineers (SPE), March 2007, Page 2.

Table 1-1 Gross Unrisked Prospective Resources, License Block XI^G, South Prospect

Reservoir	Parameter	Low Estimate	Best Estimate	High Estimate
Middle Eocene	**Prospective Oil Resources, MMBbl**	**48**	**104**	**192**
Middle Eocene	Prospective Solution Gas Resources, BCF	19	42	77
Lower Eocene	Prospective Gas Resources, BCF	146	319	600
Cretaceous	Prospective Gas Resources, BCF	112	674	1,979
Arithmetic Total Gas	**Prospective Gas Resources, BCF**	**277**	**1,035**	**2,656**

Table 1-2 Unrisked Prospective Resources Net to Skyland (20%), License Block XI^G, South Prospect[3]

Reservoir	Parameter	Low Estimate	Best Estimate	High Estimate
Middle Eocene	**Prospective Oil Resources, MMBbl**	**9.7**	**20.7**	**38.4**
Middle Eocene	Prospective Solution Gas Resources, BCF	3.9	8.3	15.3
Lower Eocene	Prospective Gas Resources, BCF	29.2	63.9	120.1
Cretaceous	Prospective Gas Resources, BCF	22.4	134.7	395.7
Arithmetic Total Gas	**Prospective Gas Resources, BCF**	**55.5**	**206.9**	**531.1**

[3] Does not reflect PSC Terms, Section 4.4 of this Report

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3. INTRODUCTION

3.1 AUTHORIZATION

Gustavson Associates LLC (the Consultant) has been retained by MUI Corporation (MUI, the Client) to prepare a Report regarding the interest held by Skyland Petroleum Group Ltd. (hereinafter referred to as Skyland) in License Block XI^G located in the Republic of Georgia. This Report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, the 2005 edition of the VALMIN Code promulgated by Australasian Institute of Mining and Metallurgy (AusIMM).

3.2 INTENDED PURPOSE AND USERS OF REPORT

It is our understanding that our report will be used in support of a fairness opinion as a result of the acquisition of Skyland by MUI, and for inclusion in a notice of meeting and prospectus to be issued by MUI and also filed with the Australian Securities and Investment Commission.

3.3 OWNER CONTACT AND PROPERTY INSPECTION

This Consultant has had frequent contact with the Client and with Skyland. This Consultant has not personally inspected the subject property.

3.4 SCOPE OF WORK AND SOURCES OF MATERIAL INFORMATION

This Report is intended to describe and quantify the gross prospective oil and gas resources contained within License Block XI^G, located in Georgia.

Skyland provided us with the following information that was the basis for this report:

1. Various PowerPoint Presentations regarding oil and gas potential of License Block XI^G

2. Seismic database
3. Well logs
4. Well Correlation Diagrams
5. Structure Maps
6. AFE for Drilling Costs
7. West Rustavi Report prepared by CanArgo

In addition, Gustavson acquired technical papers in the public domain on analogous oil and gas fields.

3.5 APPLICABLE STANDARDS

This Report is a Technical Assessment Report, prepared in accordance with VALMIN code. It is also compliant with the Petroleum Resources Management System[4] issued jointly by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE) as required by clause 75 of the VALMIN Code.

3.6 ASSUMPTIONS AND LIMITING CONDITIONS

The accuracy of any reserve or resource estimate is a function of available time, data and of geological, engineering, and commercial interpretation and judgment. While the interpretation and estimates presented herein are believed to be reasonable, they should be viewed with the understanding that additional analysis or new data may justify their revision. Gustavson Associates reserves the right to revise its opinions, if new information is deemed sufficiently credible to do so.

As of the writing of this report, the Kumisi #2 exploration well is being drilled on the prospect that is evaluated in this report. On November 24, 2015, the well was reported to be at a depth of 1,276 meters. A more recent update was not available as the operator has put the well on tight-

[4] http://www.spe.org/spe-site/spe/spe/industry/reserves/Petroleum_Resources_Management_System_2007.pdf

hole status[5]. The results of this well will likely have a material impact on the findings of this report and will require an update incorporating those results.

3.7 INDEPENDENCE/DISCLAIMER OF INTEREST

Gustavson Associates LLC has acted independently in the preparation of this Report. The company and its employees have no direct or indirect ownership in the property appraised or the area of study described. Ms. Letha Lencioni is signing off on this Report, which has been prepared by her as a Competent Expert, with the assistance of others on Gustavson's staff.

Our fee for this Report and the other services that may be provided are not dependent on the amount of resources estimated.

To the best of our knowledge, full, accurate and true disclosure of all material information was provided to us by Skyland, and all necessary access to Skyland's records was assured.

[5] Email communication with Skyland Petroleum on December 3, 2015. Tight-hole status means that information about well progress and results are held confidential by the operator.

4. PROJECT DESCRIPTION

4.1 LOCATION AND BASIN NAME

The subject exploration block is located in the Kura Basin (also referred to as the Kartli Basin) and the Achara-Trialet Thrust Belt in Georgia (Figure 4-1). The Kura Basin extends over approximately 95,000 square kilometers from the middle of Georgia to the Caspian Sea. The Achara-Trialet Thrust Belt is located to the south of the Kura Basin and extends from the Black Sea east to the Caspian Sea. This thrust belt is also known as the Lesser Caucasus.

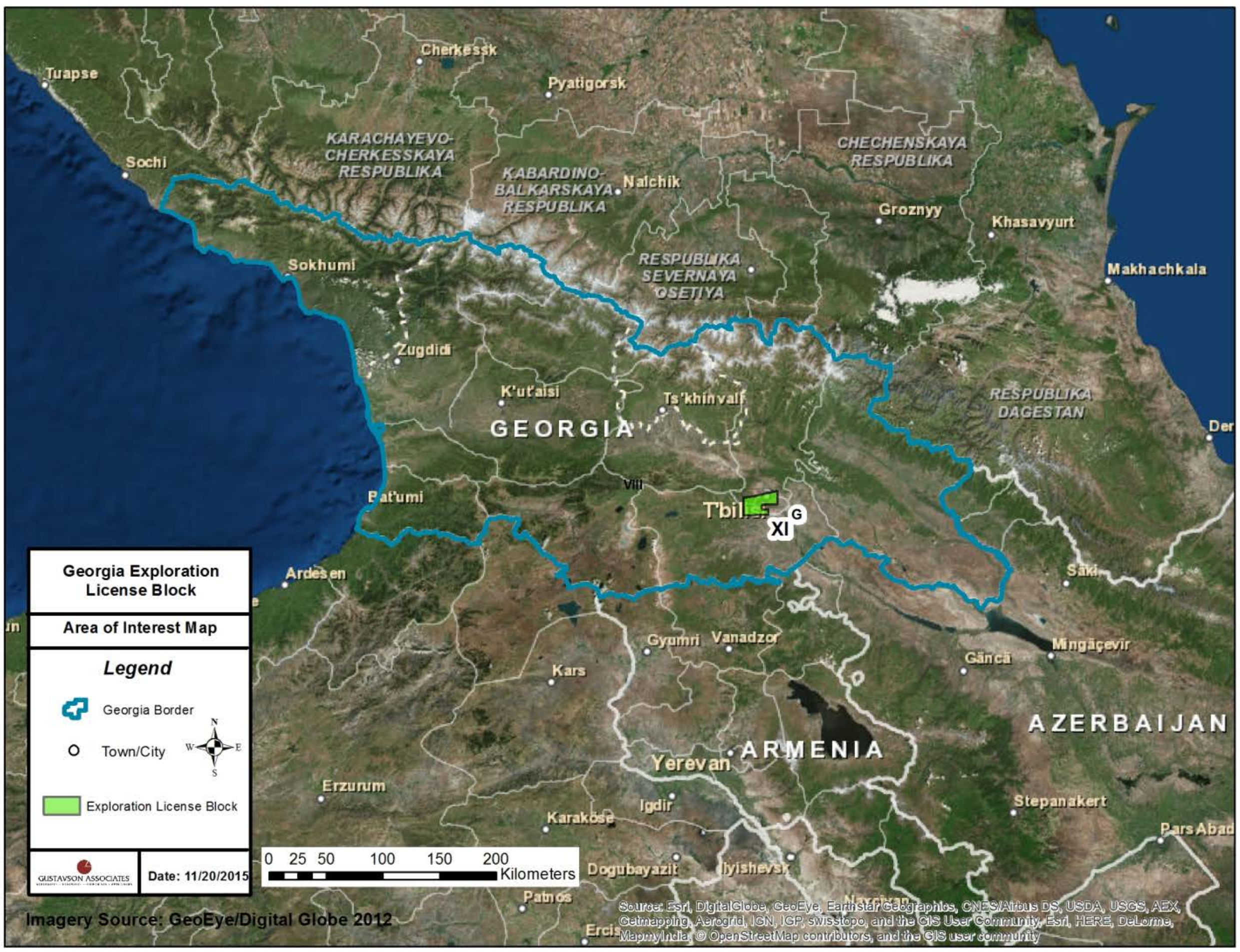


Figure 4-1 Location of Georgia and License Block XI^{G}

The Kura Basin and the Rioni Basin pass through Georgia from the Black Sea to the Caspian Sea (Figure 4-2). The Kura Basin is a narrow, asymmetric, and northwest-southeast elongate basin with the deeper axis on the north which borders the Greater Caucasus while the shallower axis on the south runs along the Lesser Caucasus, which are also known as the Achara-Trialet Thrust Belt.

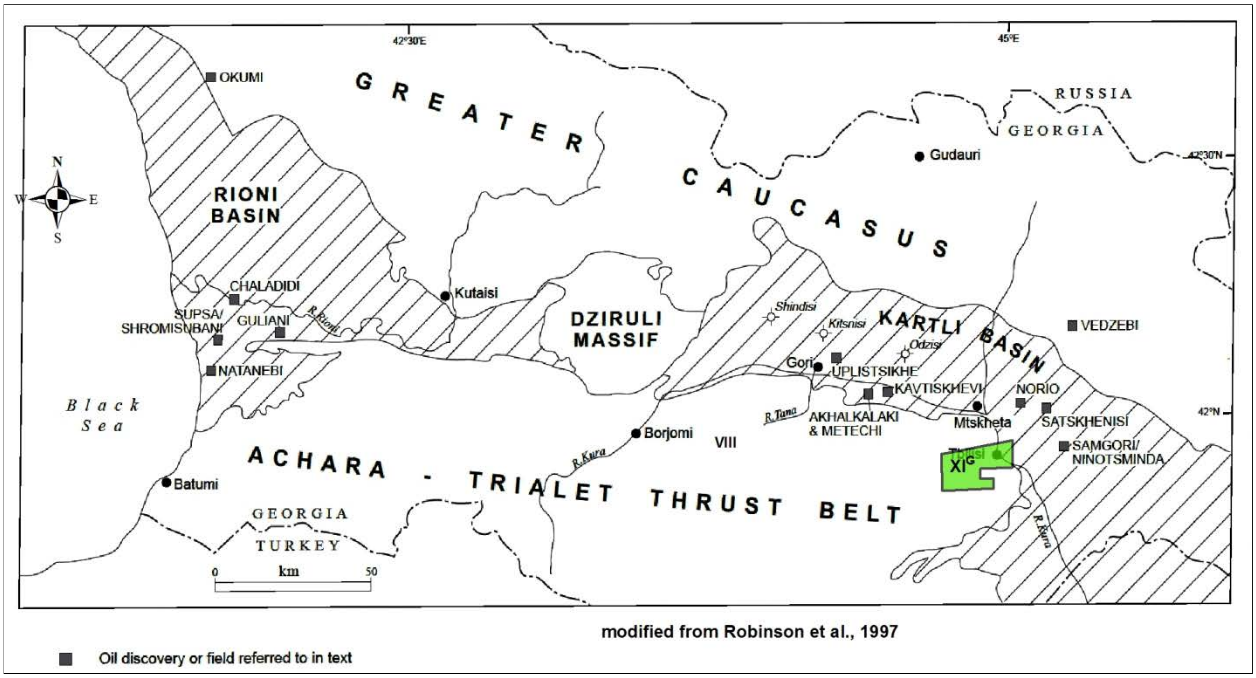


Figure 4-2 Tectonic Elements in Georgia with the Subject Block in Green

Maps of License Block XI^{G} are shown in Figure 4-3 and Figure 4-4. The XY map coordinates from the PSCs that define the Exploration License Block is shown in Table 4-1, presented using the Gauss-Kruger Zone 8, Krassovsky Spheroid.

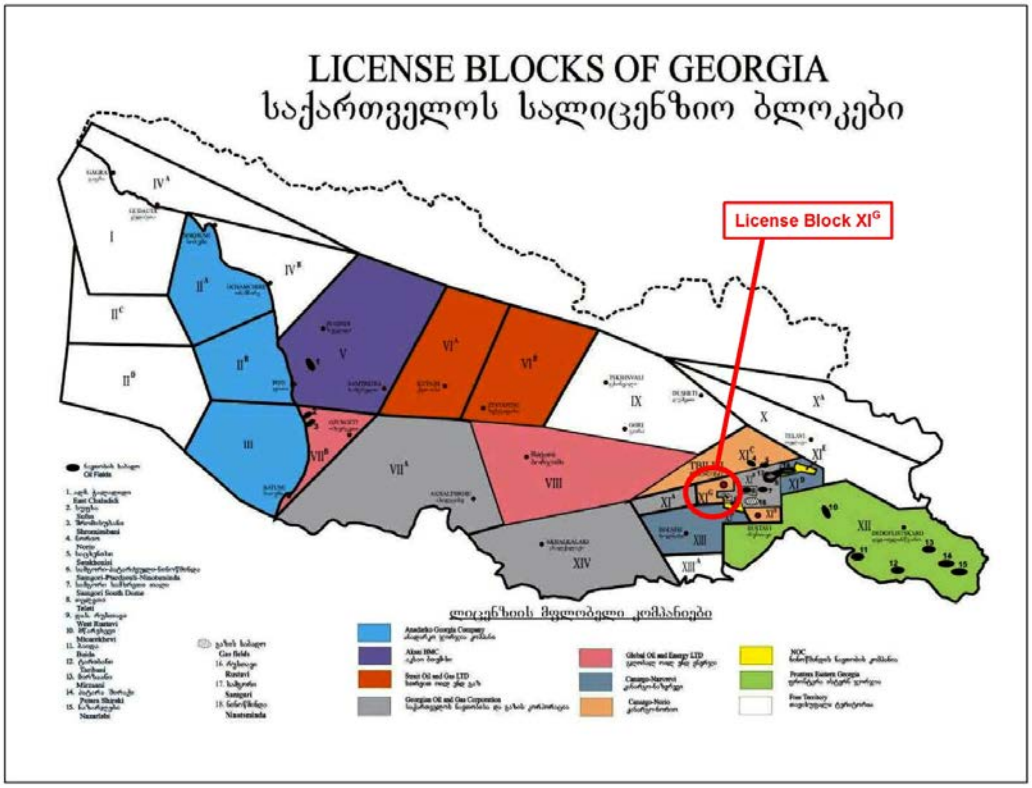
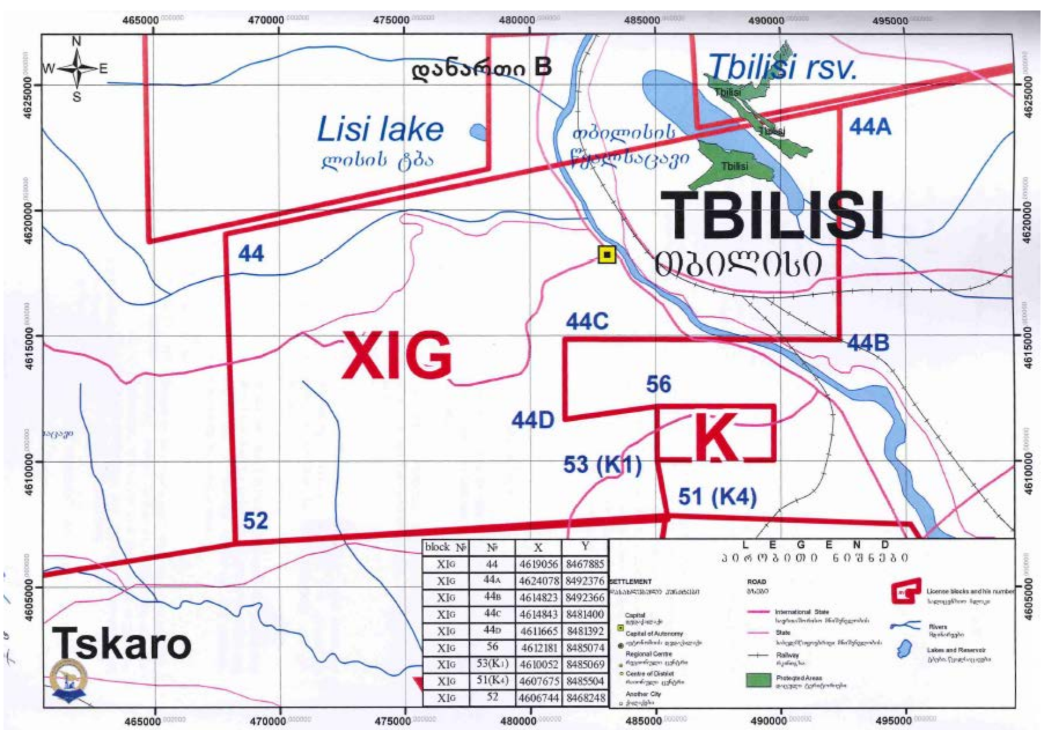


Figure 4-3 Location of XI^G License Block in Georgia
(modified from GOG, 2013)



block №	№	X	Y
XIG	44	4619056	8467885
XIG	44A	4624078	8492376
XIG	44B	4614823	8492366
XIG	44C	4614843	8481400
XIG	44D	4611665	8481392
XIG	56	4612181	8485074
XIG	53(K1)	4610052	8485069
XIG	51(K4)	4607675	8485504
XIG	52	4606744	8468248

Figure 4-4 License Block XI^G Map
(showing the city of Tbilisi, major roads, rivers and forest areas)

Table 4-1 License Block XI^G Coordinates

Block No.	No.	X	Y
XI^G	44	4619056	8467885
XI^G	44_A	4624078	8492376
XI^G	44_B	4614823	8492366
XI^G	44_C	4614843	8481400
XI^G	44_D	4611665	8481392
XI^G	56	4612181	8485074
XI^G	53(K_1)	4610052	8485069
XI^G	51(K_4)	4607675	8485504
XI^G	52	4606744	8468248

4.2 OVERVIEW OF PROSPECT

Gustavson Associates has reviewed the interpreted data that describes a prospect area contained within the License Block XI^G area.

The sub-thrust southern prospect in License Block XI^G is based on seismic data and is near the Teleti field, which produces oil from Middle Eocene reservoir rocks. The Samgori Field produces hydrocarbons from reservoirs in Middle Eocene volcaniclastic rocks, primarily tuffs, that are the model for reservoirs in the identified Middle Eocene thrust prospect on License Block XI^G. Volcaniclastic rocks can be good reservoir rocks when porosity and permeability is enhanced by fracturing and diagenetic alteration to laumontite as is the case in the Samgori Field area. Lower Eocene age sandstone, volcaniclastic, marl, and siltstone rocks are also target reservoirs. Cretaceous age carbonates are also a target reservoir for the prospect. Gas shows and gas production for these reservoirs is present in the Kura Basin in general and the adjacent W. Rustavi oil field.

Compressional tectonics dominate the region creating thrusting and anticlines that have been explored for hydrocarbons.

4.2.1 South Prospect Sub-Thrust Prospect

The South Prospect identified by GOG using 2D seismic data, gravity data, and well control, targets Middle and Lower Eocene reservoirs. This prospect is in the area of the Kumisi #1 well, where gas shows were encountered in Lower Eocene reservoirs, and the W. Rustavi #44 oil discovery. Exploratory drilling of the Kumisi #2 well on the prospect is underway and as of November 24, 2015, has penetrated to 1,276 meters. No additional information was available because as of the writing of this report, the well was on tight hole status.

The South Prospect Sub-Thrust prospect is shown in Figure 4-5 and Figure 4-6. This prospect is north of W. Rustavi #44, which produces oil from Eocene reservoirs and north of the Kumisi #1 well, which penetrated Upper Cretaceous rocks at 2,880 meters.

Three prospective reservoir intervals have been included in the resource estimates, Middle Eocene, Lower Eocene, and Cretaceous.

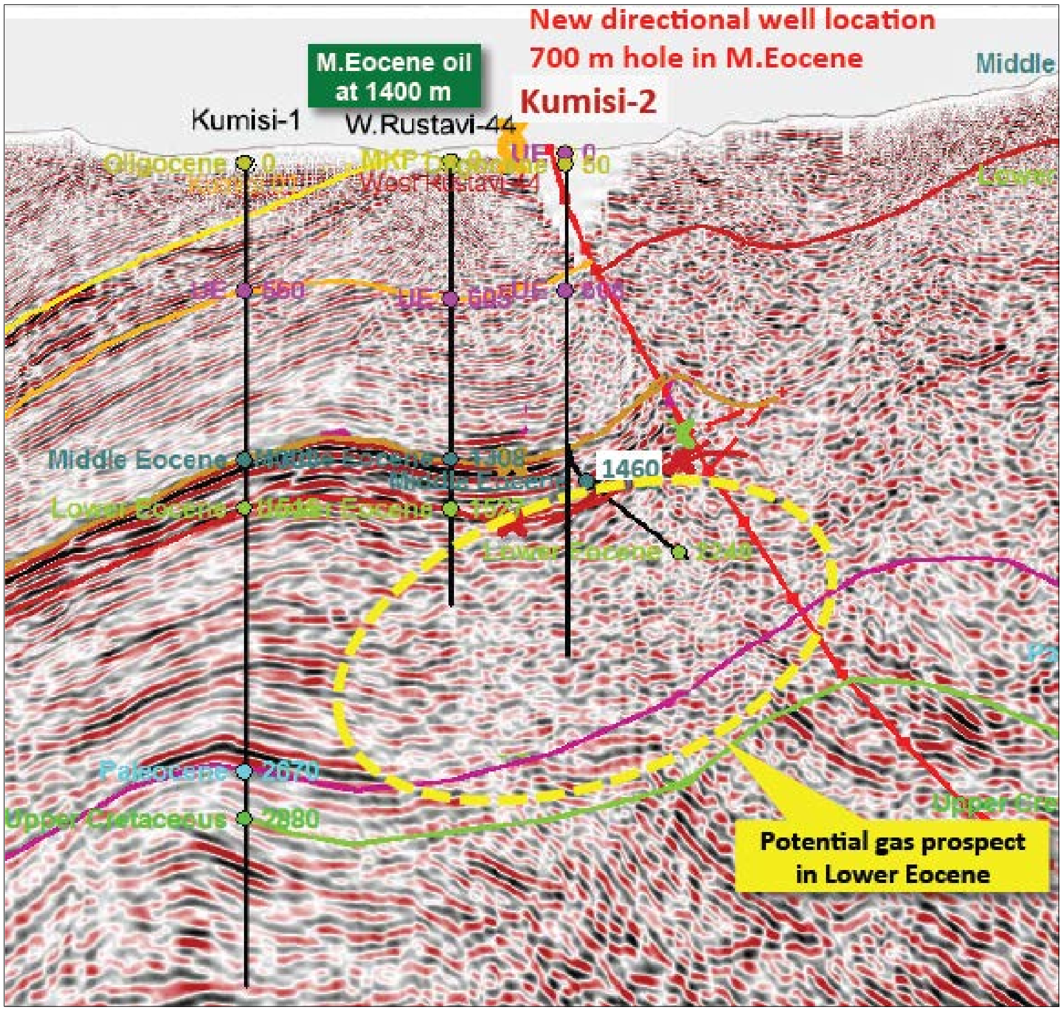


Figure 4-5 2D Seismic Line Showing Sub-Thrust Prospect, Kumisi #1 Well, W. Rustavi #44 Oil Well, and Location of Kumisi #2 Well

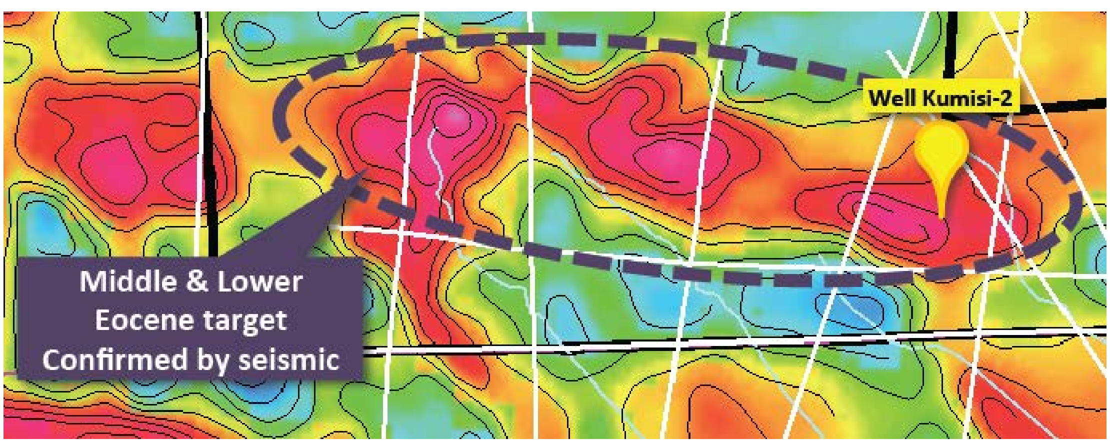


Figure 4-6 New Gravity Data Residual Anomalies Map Showing Potential Sub-Thrust Exploration Targets and Seismic Line Locations

4.3 SEISMIC INTERPRETATION

Skyland provided 2D seismic data, screen shots of interpreted seismic lines, and maps along with some well and horizon depth information. Gustavson loaded the depth versions of these data into the IHS Kingdom SMT software and created an interpretation based on the information Skyland provided. The Kumisi #1 and W. Rustavi #44 wells were used to correlate the Middle Eocene, Lower Eocene and Upper Cretaceous horizons to the seismic. The location of the wells and seismic data on License Block XI^G are depicted in Figure 4-7 below.

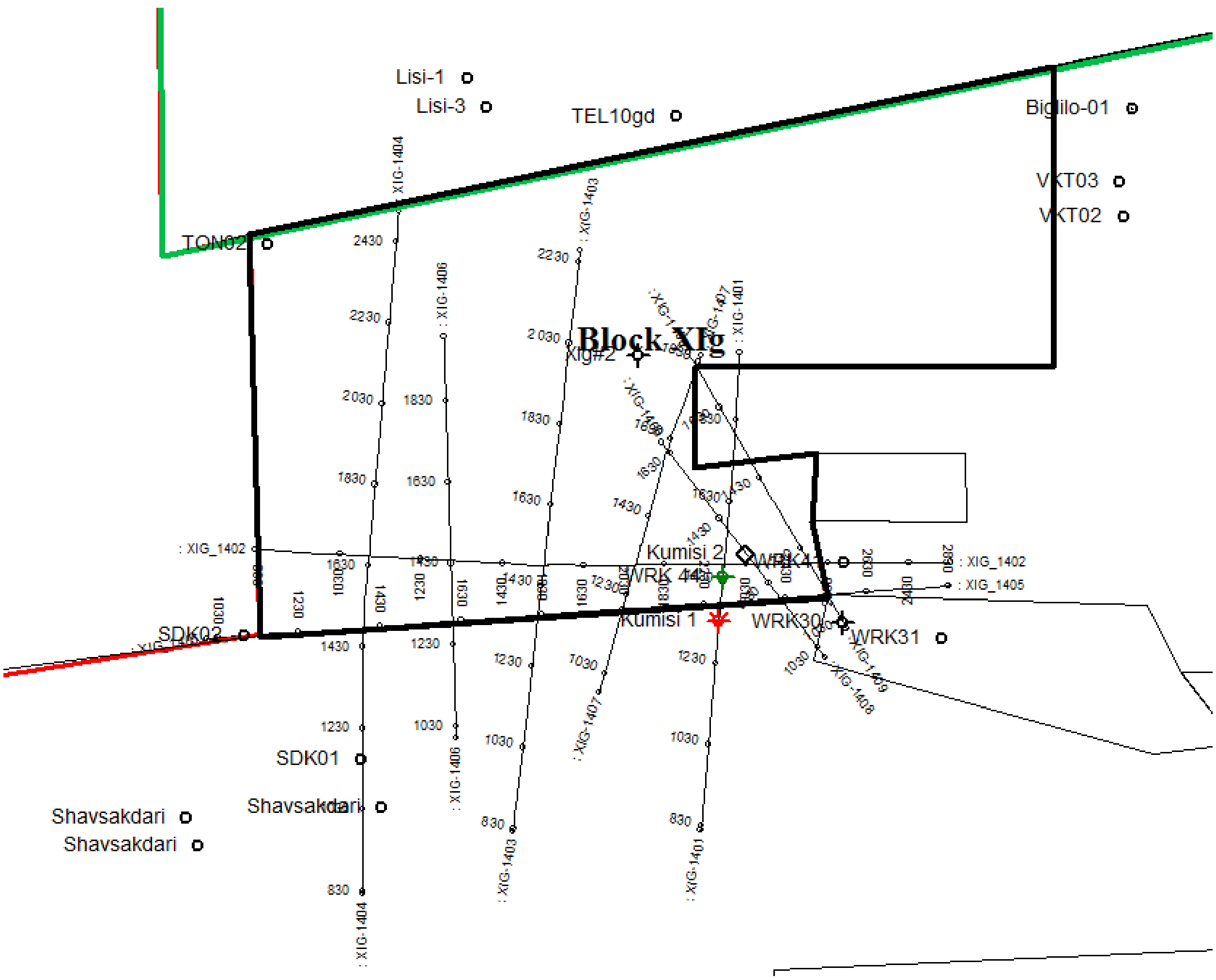


Figure 4-7 Seismic and well data location

Figure 4-8 and Figure 4-9 are depth structure maps based on the Gustavson interpretations for the Middle Eocene, Lower Eocene, and Cretaceous target intervals that were used to determine the areas for input into the probabilistic resource estimates. The seismic data indicates that in general the section dips to the east and that this is a structurally complex tectonic and stratigraphic area with many faults and structural features.

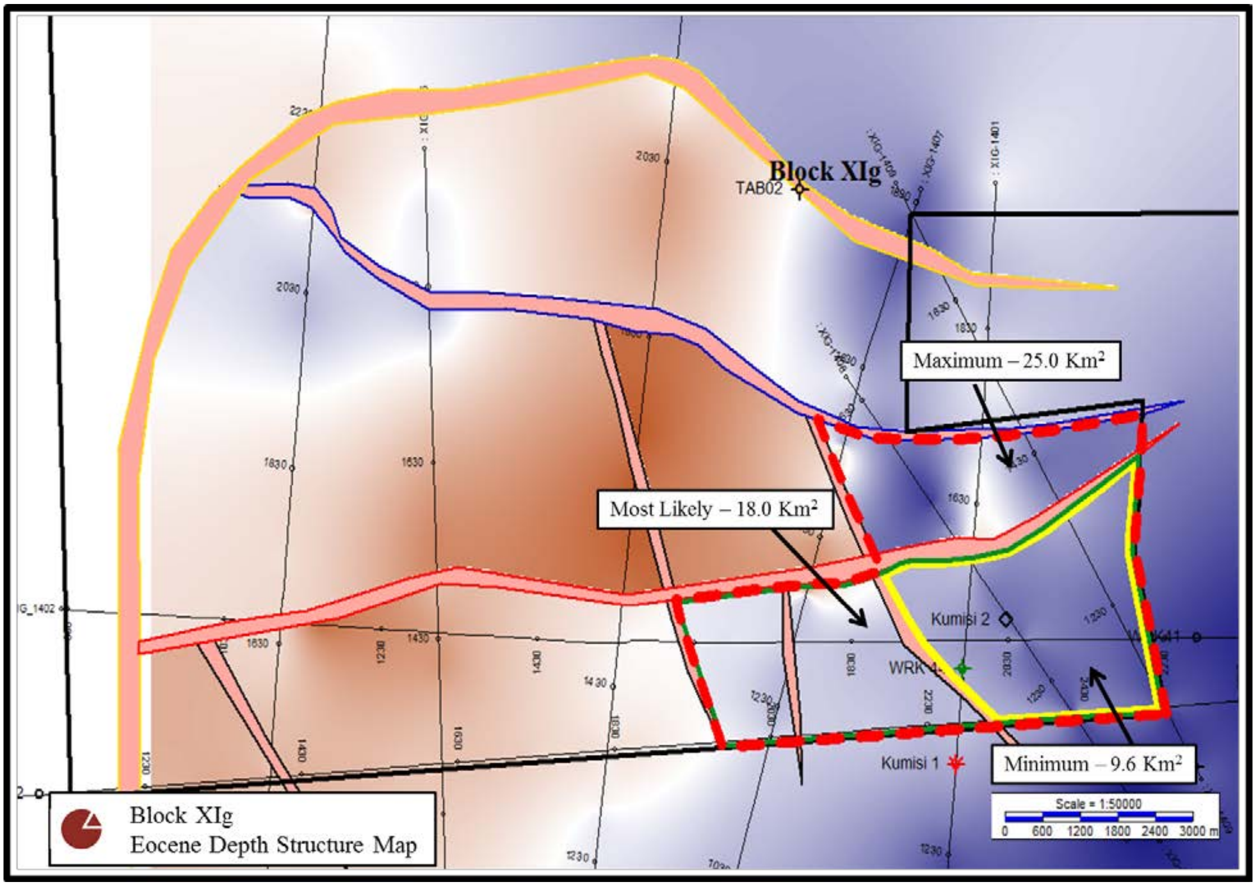


Figure 4-8 Middle and Lower Eocene Depth Structure Map with Area Used for Resource Estimates

The same areas were used for both the Middle and Lower Eocene for the purposes of resource estimates. The intervals are close together in a vertical sense and the structural interpretation was judged to be identical. The minimum area is estimated to be 9.6 square kilometers, most likely 18.0 square kilometers and maximum 25.0 square kilometers.

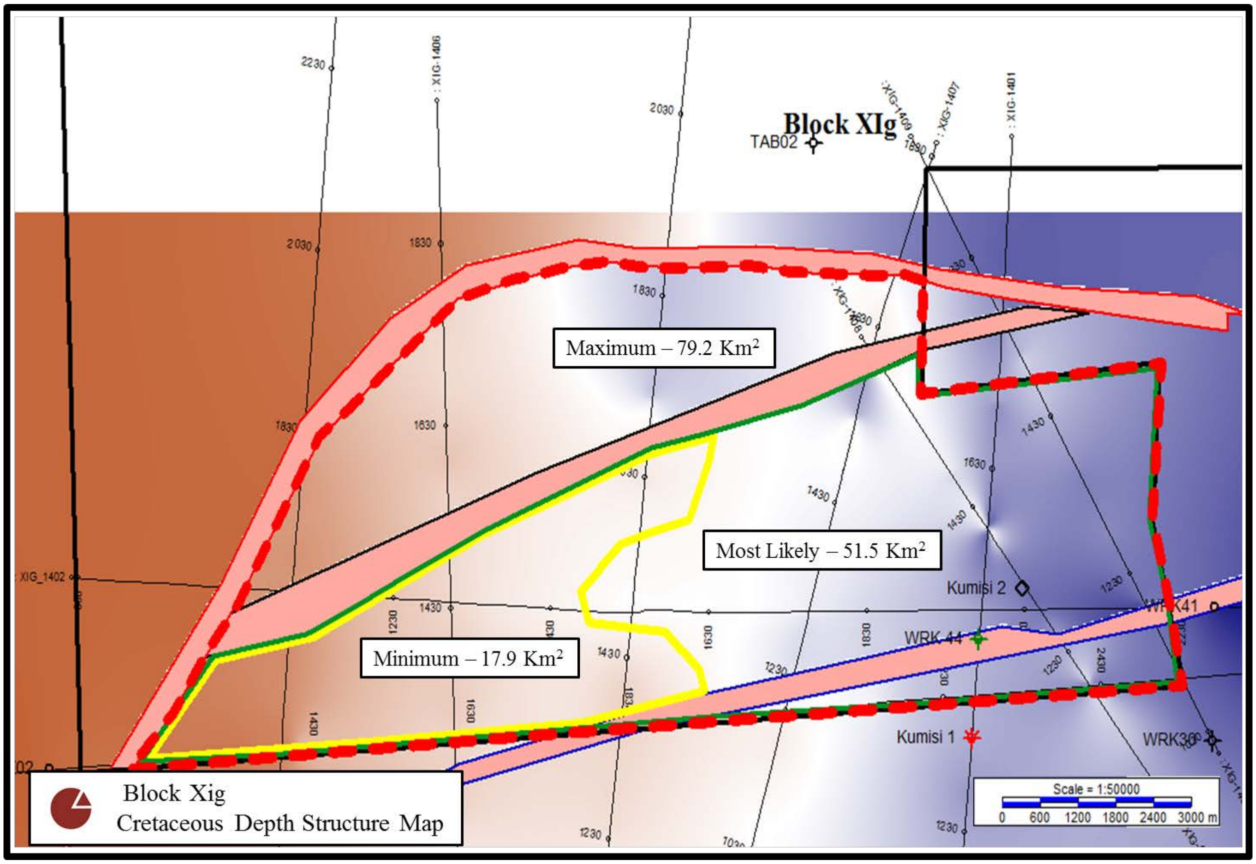


Figure 4-9 Upper Cretaceous Depth Structure Map with Area Used for Resource Estimates

The updip part of the Upper Cretaceous structure is to the west with a thrust fault assumed to form part of the trap. The interpretation was tied to a mappable event that is below the Kumisi 1 top. The minimum area is estimated to be 17.9 square kilometers, most likely 51.5 square kilometers and maximum 79.2 square kilometers.

4.4 GROSS AND NET INTEREST IN THE PROPERTIES

Georgia Oil and Gas (GOG) owned 100 percent interest in a production sharing contract for License Block XI^G. On November 13, 2015, Skyland Petroleum entered into a Heads of Agreement to acquire a 20 percent interest in the Block. Skyland's 20 percent interest in License Block XI^G is evaluated in this report.

License Block XI^G is subject to a production sharing contract with the Georgian government. The PSC states that the profit oil from any oil and gas operations will be allocated in the following manner:

- Sixty percent of Profit Oil to the State
- Forty percent of Profit Oil to the Contractor

Profit Oil is defined as the amount of production, after deducting cost oil production allocated to costs and expenses, that will be divided between the participating parties and the host government under the production sharing contract.[6]

4.5 PRODUCT TYPES REASONABLY EXPECTED

Medium to light crude oil and associated gas are the product types expected in the Middle Eocene target reservoirs and natural gas in the Lower Eocene and Cretaceous target reservoirs.

4.6 ESTIMATED DRILLING AND TESTING COSTS

Skyland has provided us with an AFE that has the following costs for the Kumisi #2 well:

- Near vertical well to 2,300 meters - USD3.2 million
- Sidetrack of 600 – 700 meters - USD1 million
- Total Cost - USD4.2 million

Skyland reported that if the Kumisi #2 well is successful in the deeper main target, then a sidetrack will not be necessary. If the deeper target is unsuccessful, then the sidetrack is planned for a total cost of up to $1 million.

In addition, Stage 3 of the Work Commitment may require the drilling of a second exploratory well and an option for acquiring additional seismic data. Skyland reports that there are no firm plans to drill a second well and the impetus to do so will depend on the results of the Kumisi #2

[6] http://www.glossary.oilfield.slb.com/en/Terms/p/profit_oil.aspx

well. If there is a second well, the target would be to a similar depth and have a similar cost to the Kumisi #2 well.

In regards to the shooting of additional seismic, Skyland reports that about 135 km^2 of 2D seismic data were just acquired in 2014 – 2015. Future acquisition of a 3D survey would likely occur if the Kumisi #2 well is successful.

4.7 EXPECTED TIMING OF DRILLING AND COMPLETION

As described previously, the Kumisi #2 is currently being drilled on the subject block on the prospect that is evaluated in this report. The exact timing of TD, logging, testing and completion is not known at this time.

4.8 EXPECTED PRICES

If hydrocarbons are discovered on the subject block, there will likely be revenue from oil and natural gas production. Research on crude oil prices in Georgia indicates that Brent pricing is referenced minus marketing and transportation. Exact figures are not available but another operator reports that the price differential is about $12.00 per barrel[7].

Natural gas will likely be sold domestically as Georgia imports gas from neighboring countries. The pricing of domestic gas in Georgia is complex and would depend on several factors. Information on pricing could only be found at the retail level where residential and industrial customers pay 0.17 to 0.23 euro/m^3.

4.9 EXPECTED MARKETING AND TRANSPORTATION ARRANGEMENTS

The Baku-Supsa Oil Pipeline (also known as the Western Route Export Pipeline and Western Early Oil Pipeline) runs 833 kilometers (518 miles) from Sanagachal Terminal in Azerbaijan to the Supsa Terminal in Georgia. With a capacity of 145 MBOPD, it is operated by BP and passes

[7] Iskander Energy Corporate Presentation October 2014

through Block XI^M. The Baku-Tbilisi-Ceyhan Oil Pipeline (BTC) runs 1,768 kilometers (1,099 miles) from the Caspian Sea to the Mediterranean Sea. The pipeline is owned and operated by a consortium of eleven energy companies called BTC Co. Its capacity is 1 MMBOPD. The South Caucasus Gas Pipeline (SCP) runs 692 kilometers (430 miles) from the Azerbaijan offshore gas field Shah-Deniz to Erzurum, Turkey. Its capacity is 8.8 BCMPY. Both the BTC and SCP lines run to the immediate south of Block XI^A.

Figure 4-10 depicts the oil and gas pipelines in and around Georgia.

Figure 4-10 Oil and Gas Pipelines in and around Georgia
(economist.com, 2008)

4.10 IDENTITY AND RELEVANT EXPERIENCE OF THE OPERATOR

GOG is an oil and gas exploration, development, and production company and is organized and existing under the laws of British Virgin Islands.

The registered address and other pertinent information for the company is the following:

- Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;
- Registration No: 1473418;
- The Date of Incorporation: 08 April, 2008.

5. GEOLOGY

5.1 STRUCTURE

The subject block is located in a tectonically complex area to the south of the Greater Caucasus and across the Lesser Caucasus. Oil and gas production has been established primarily from the Rioni Basin near the Black Sea and the Kartli Basin (also referred to as the Kura Basin) on the eastern side of Georgia (also known as the Karthaliny or Western or Upper Kura basin) which are flexural foreland basins formed in Neogene time by loading of the Achara-Trialet Thrust Belt (Lesser Caucasus) (Figure 5-1). Both basins are bounded on the north by the Greater Caucasus fold and thrust area, which is composed of shallow marine carbonate rocks. The Achara-Trialet Thrust Belt is composed of Paleogene age strata formed in a rifted extensional basin (Robinson et al., 1997). This area is characterized by large anticlines and associated faulting involving Cretaceous through Paleogene rocks. The pre-rift basement rocks include the Dziruli Massif that now separates the Rioni Basin from the Kartli Basin. The basin complex extends through Azerbaijan to the Caspian Sea.

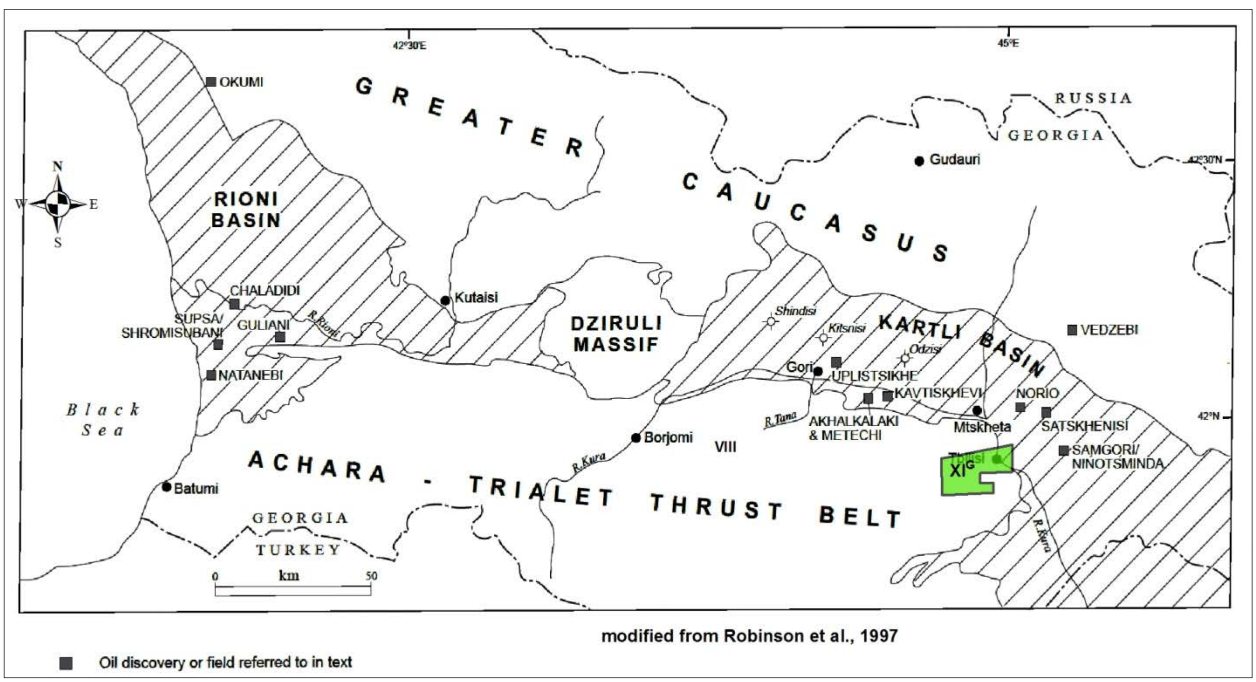


Figure 5-1 Exploration License Block XI^G, Basins, and Mountain Areas

(from Robinson et al., 1997)

The region of Georgia and Azerbaijan between the Black Sea and the Caspian Sea (roughly located in the red oval in Figure 5-2) is composed of accreted terranes[8]. These terranes include island arcs and continental fragments that moved from Gondwana to be accreted to the Eurasian Plate in several stages (Adamia et al., 2011; Zakariadze et al., 2007; Robinson et al., 1997; Zonenshain, et al., 1990). The paleogeographic maps included in Figure 5-2 trace the process through time. The Cretaceous carbonate rocks and the Cenozoic age clastic rocks that are exploration targets in Georgia were deposited in rift basins, back-arc and foreland style basins that were formed in the area of the Black Sea and Caspian Sea over and between these terranes during the Mesozoic and Cenozoic (Figure 5-2) (Adamia, et al., 2011).

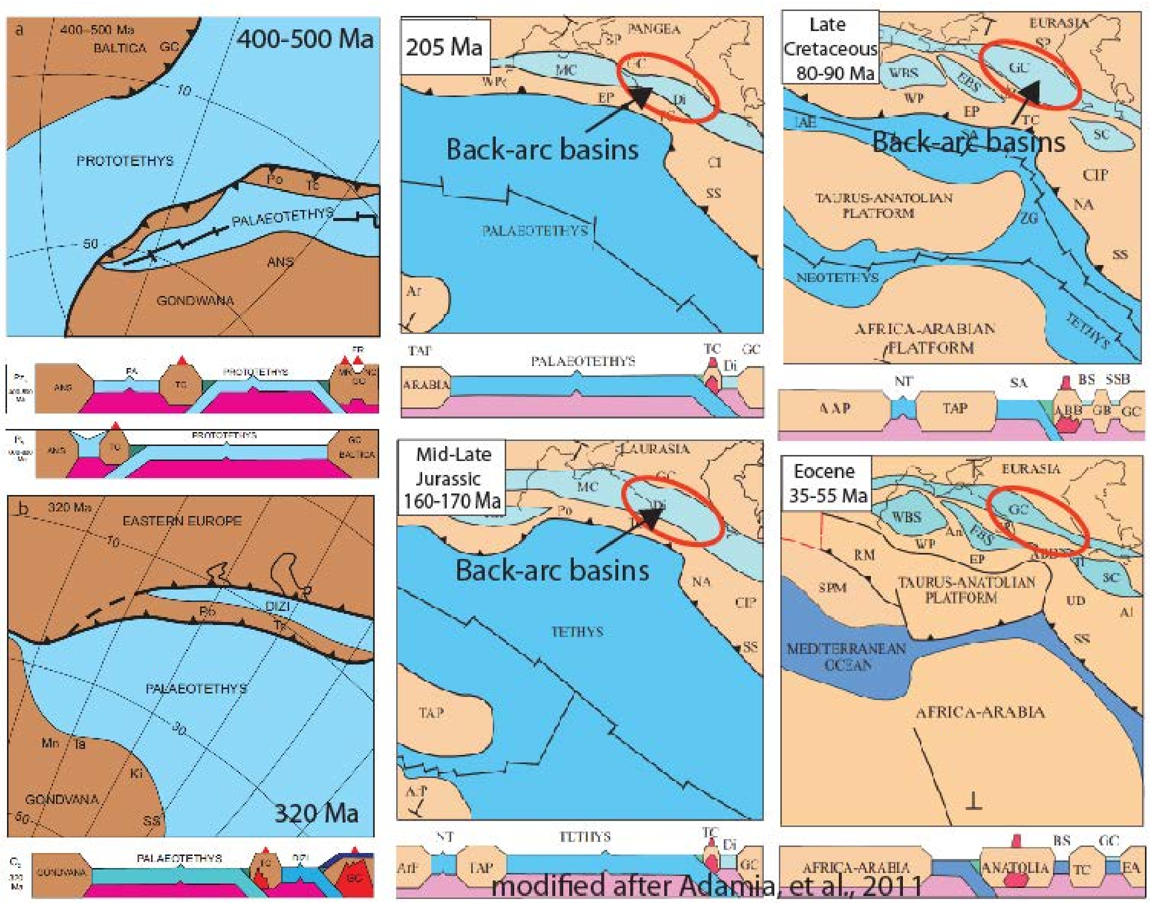


Figure 5-2 Paleogeographic Reconstructions of the Area

(during Paleozoic, Mesozoic and Cenozoic times)

[8] A continental or oceanic plate fragment added to the margin of another tectonic plate by collision and welding.

The collision and rotation of the Africa-Arabian plate with the Eurasian Plate resulted in the Alpine Orogeny, which formed the Rioni and Kartli basins and the folded and thrusted structural traps that are being explored for hydrocarbons. The structural complexity of the area is shown in Figure 5-3.

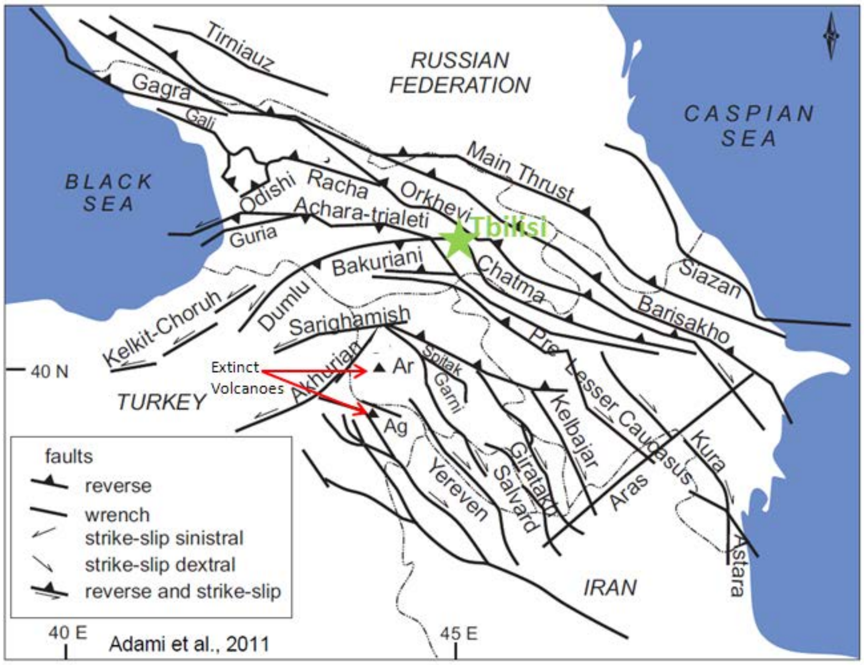


Figure 5-3 Regional Structural Fault Map

5.2 STRATIGRAPHY

Paleozoic and Mesozoic rocks in the Kartli (Kura) Basin are dominated by marine carbonates. This interval includes volcanic and volcaniclastic rocks and marls.

The Cretaceous strata consist of platform carbonates, sandy limestones, marls, and volcaniclastic rocks of back-arc and continental shelf origin. Cretaceous rocks are important hydrocarbon reservoirs in the North Caucasus region. The Manavi 11 well discovered oil in fractured Cretaceous carbonate rocks in Block XI^{E} in Georgia to the east of the subject block. The Manavi structure is a faulted anticline that is along strike to the Ninotsminda Field. Before mechanical failures, the well tested 40.5 degree API oil from a 148 meter hydrocarbon column[9]. The Manavi 11 well could be used as an analog for new exploration plays in Georgia (Morariu and Noual, 2009). Cretaceous age reservoir rocks include rocks encountered in the Manavi 11 well.

Marine carbonates give way to marine sandy limestones and clastics during the Paleocene (Figure 5-4). The Eocene was characterized by the advent of submarine volcanic eruptions that deposited lava, tuffs and tuffaceous turbidites interbedded with marine clastic and marine carbonate deposits. Reservoirs of Middle Eocene age are characterized as volcaniclastic interbedded with siltstones and some volcanic andesitic flows. The volcaniclastic sandstones were deposited as gravity flows, or turbidites, in deep marine settings. The reservoir quality of these volcaniclastic sandstones has reportedly been improved by diagenetic alteration to laumontite and by fracturing (Robinson et al., 1997). Volcanism decreased as shallow marine clastic and carbonate deposits dominated the Late Eocene.

Oligocene age rocks contain interbedded sandstone and shale deposited in shallow marine depositional settings in restricted basins. The Oligocene succession of sandstones and gypsiferous clays continues into the Miocene. Miocene age deposits range from marine turbidites to fluvial and deltaic deposits indicating a change from marine to shallow marine to continental setting. The Maikop Series of Oligocene to Early Miocene age contains both source rocks and reservoir rocks that produce oil in the Kura Basin.

Jurassic age sedimentary rocks consisting of volcaniclastic sandstone, shale, limestone and marl unconformably overly basement are present in the Block VIII region. Here approximately 1,500 meters of lower Cretaceous rocks, which consist of volcaniclastic sandstones, limestone, and shale, transgressively overly the Jurassic. Similar rocks comprise the 1,800 meter thick upper Cretaceous interval. Cenozoic age sedimentary rocks consist of marine sandstone, clay, and limestone that can total approximately 9,000 meters of section where present. Igneous intrusions are also present on the surface as well as basement highs.

[9] Blakeoilandgas.com

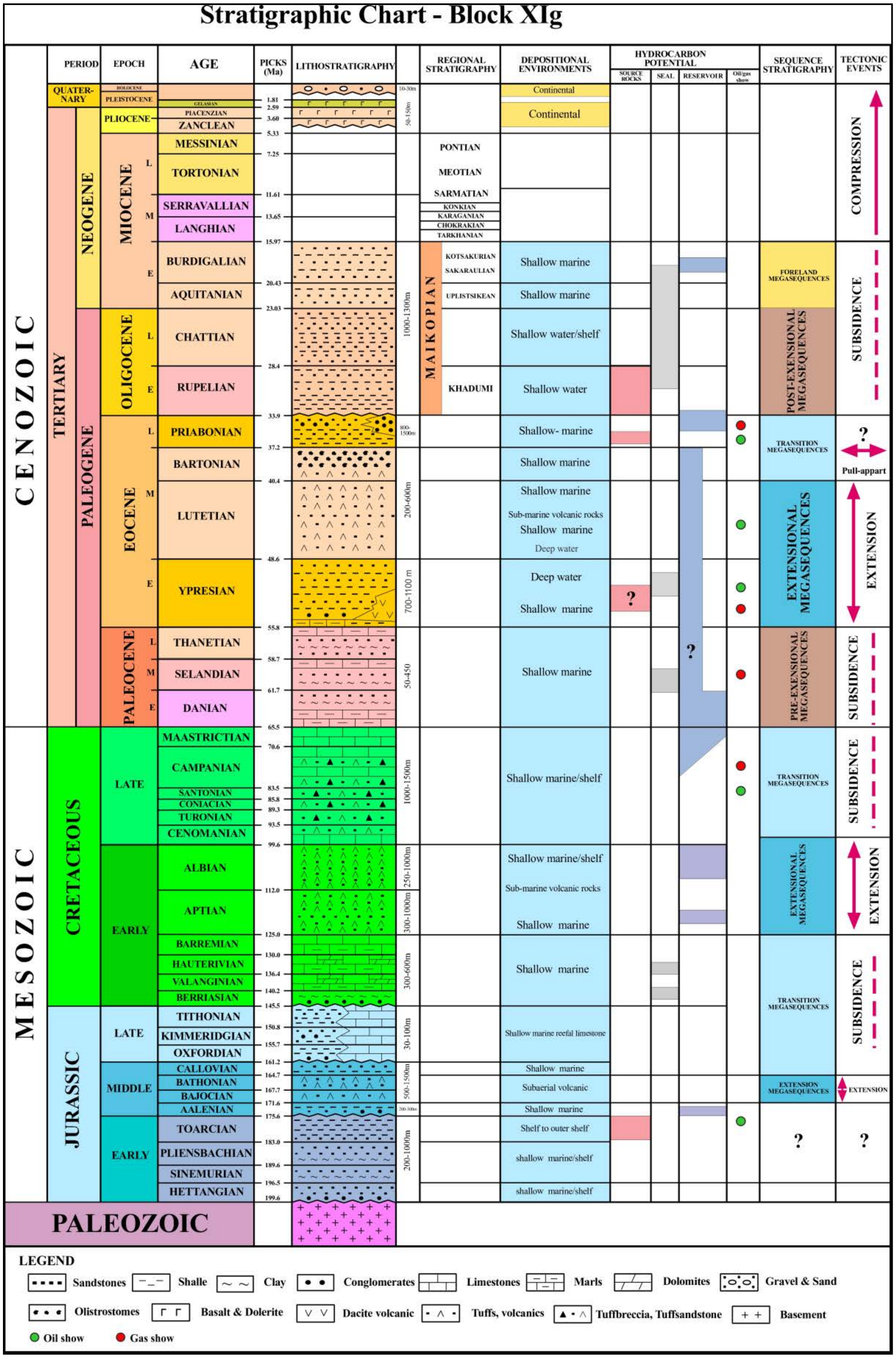


Figure 5-4 Stratigraphic Column of the Kura Basin Region

(showing source rocks and tectonics)

5.3 PETROLEUM SYSTEM

The aspects of a petroleum system include mature source rock, reservoir rock, and trapping of the reservoir rock where hydrocarbons migrated from the mature source rock can accumulate.

5.3.1 Source Rocks

Numerous source rocks have been investigated for the oils found in the Kura Basin and the Lesser Caucasus. These consist of shale, chalkstone, and mudrock of Cretaceous, Paleogene and Neogene age (Gudushauri and Sanishvili, 2000) (Table 5-1). Cretaceous Aptian and Albian age marl source rocks have also been identified. Jurassic rocks are also potential source rocks.

Much of the historic production from wells in eastern Georgia is considered to be sourced from the Oligocene-Miocene age Maikop Series. The total organic carbon content typically ranges between 0.3-1.6% (Strait and Georgian, 2011). Table 5-1 shows the organic content of some rocks of Neogene (N), Paleogene (P), and one Cretaceous (K) sample. These were reported in the scheme of katagenetic stages, protokatagenesis (PK), mezokatagenesis (MK), and apokatagenesis (AK) (Gudshauri and Sanishvili, 2000; Trofimuk et al., 1984). Protokatagenesis roughly compares to immature to submature source rocks up to vitrinite reflectance values of Ro 0.50 % (Trofimuk et al., 1984). Mezokatagenesis begins Ro 0.50 % just before the beginning of the oil window and ends at Ro 2.00 % at the base of the wet gas window (Dow, 1977). Apokatagenesis begins at Ro 2.00 % and ranges to Ro 6.00 %, past the dry gas preservation limit (Dow, 1977).

Table 5-1 Kura Basin Source Rock Maturity, TOC, and Age

Tectonic Zone	Rock's Age	Lithology	Maturity of the Source Rock	Vitrinite Reflectance Ro %	Content of C organic,%	Content of HC, gr/cm^3
Kura depression	N_1^3-N_1^2	Clay, siltstone	$PK_{2\text{-}3}$-$MK_{2\text{-}3}$	0.30-0.50-- 0.65-1.15	0.1-1.0	50-320
Kura depression	N_1^1-P_3	Clay	PK_3-MK_2	0.40-0.85	0.3-1.4	150-730
Kura depression	P_2^3	Clay	PK_3-MK_2	0.40-0.85	0.3-1.5	240-500
Kura depression	P_2^1-P_1	Mudstone	MK_5	1.55-2.00	0.2-0.7	70-95
Kura depression	K_1 ap-al	Marl	$MK_{3\text{-}5}$	0.85-2.00	0.2-1.7	150

Modified from Gudushauri and Sanishvili, 2000 Katagenesis to Vitrinite Reflectance comparison based on Trofimuk et al., 1984

Oil typing was done on produced oils (and well head seeps) and natural oil seep samples from the Shromisubani, Natanebi, Guliani, and Okumi fields in West Georgia, the Uplistsikhe field and the surface at Akhalkalaki in the Kartli Basin and Vedzebi North and Ninotsminda fields in East Georgia (Robinson, et al., 1997). These oils were compared with extracts from upper Eocene rocks in two wells in the Kavtiskhevi field in the Kartli basin indicating these upper Eocene rocks were the source for the oil (Robinson, et al., 1997). Other oils were considered as of mixed multi-migration origin but interpreted as from source rocks of Tertiary to Late Cretaceous in age (Robinson, et al., 1997) An analysis of oil from the Vedzebi North discovery suggests a Late Cretaceous age source rock for this oil.

5.3.2 Reservoir Rocks

Miocene age rocks are the oil reservoirs in the Norio and Satskhenisi fields, which are to the north of License Block XI^G in the Kartli Basin (Robinson, 1997). They include the Sarmatian, Chokrak, and Maikop reservoirs.

Middle Eocene age reservoir rocks account for more than 90% of historic production within the other fields in the Kartli Basin. Clastic rocks of this age are proven reservoirs in the Samgori-Patardzeuli, South Dome, Ninotsminda and Teleti fields. These reservoirs are predominately volcaniclastic rocks. Reservoir properties are good where tuffaceous rocks have been partially altered to laumontite by hydrothermal solutions, which has increased average porosity to 12 percent and average permeability to 15 millidarcies (Robinson, 1997). Microfractures within the altered laumontite intervals and tectonic fractures also enhance reservoir permeability. Much of the information about this reservoir comes from studies on samples from the Samgori oil fields (Vernik, 1990). In addition to fracturing enhancing permeability of these reservoirs, where the tuffs are altered to Laumontite tuffs secondary permeability and porosity increases (Vernik, 1990). Grynberg et al (1993) state that oil production from the Samgori Field is from fractured bodies of laumontized tuff sealed by andesite-basalt tuffs and tuffites.

Cretaceous reservoir rocks are productive in the North Caucasus, particularly the Terek-Caspian Basin of Russia (Ulmishek, 2001). In the North Caucasus Cretaceous carbonate reservoirs produce at rates from 3,000 to 15,000 barrels of oil per day. Recovery factors in these reservoirs are reportedly 50 percent (Morariu and Noual, 2009). Cretaceous reservoir rocks have been encountered in the Manavi 11 well in Block XI^{E} along strike to the Ninotsminda oil field of Georgia. The Cretaceous reservoirs consist of carbonate rocks where the normally low porosity and permeability have been enhanced by fracturing due to tectonic movement (Ulmishek, 2001).

Jurassic sandstone potential reservoirs are characterized by porosity of up to 10% and permeability of approximately 15 millidarcies (mD). Potential reservoir rocks of Cretaceous age have porosity of up to 21% and permeability of 35mD. Eocene age sandstone reservoirs are characterized by porosity of up to 20% and permeability of 11 mD. Porosity in reservoir rocks of the Maikop interval is approximately 18% with permeability of 122 mD. Potential reservoir rocks of Miocene age exhibit porosity of 27% to 32% with permeability of 121 mD to 554 mD (Strait and Georgian, 2011).

5.3.3 Traps

There are anticlines present that have been defined by surface mapping and have been drilled. Some of these structures may also have exploration potential in deeper Cretaceous and Jurassic age strata. Additional traps include sub-thrust anticlines and other thrust related traps that are not detectable from surface geologic mapping. Seismic data are necessary to delineate these traps and find exploration targets. Many traps suggested by the seismic data are unconfirmed and closure is not evident. These traps may require 3D seismic data to better define the targets.

6. EXPLORATION HISTORY

Many of the discoveries in Georgia have been in the foreland basins and fold and thrust belts. To date, eighteen discoveries have been made, of which fifteen of those are in Georgia's portion of the Kura Basin (Tethys, 2013). The historic exploration targets in Georgia have been traps involving Eocene strata (Robinson et al., 1997).

Exploration in the country began in the late 19th century with shallow drilling beneath surface seeps. By 1866, more than 100 shallow wells (less than 100 meters (328 feet)) had been drilled in eastern Georgia. After World War II, drilling targets were anticlines identified on seismic. More than 1,300 deep wells were drilled during the Soviet Era and small discoveries were made (Tethys, 2013).

The state company GruzNeft was the only license holder in the country between 1930 and 1994, during which time 197 MMBBL were produced. Peak production was achieved in 1981 with rates around 70 MBOPD. Also during this time, seventeen oil fields were discovered, but only 5 were commercially successful (Tethys, 2013).

Only two large discoveries were made in the Kura Basin, the Samgori-Patardzeuli-South Dome (Samgori) Field and its eastwards extension, the Ninotsminda Field. The Samgori Field was discovered in 1974. It has a cumulative production of 210 MMBBL and is still producing. Initial flow rates in the field were as high as 5,000 BOPD per well. The Ninotsminda Field has produced 12 MMBBL of oil and 8.5 BCF of gas to date and is still being developed. Well performance in this field is dependent on fractures and well flow at rates around 700-800 BOPD (Tethys, 2013) have been achieved.

Approximately fifteen companies have held licenses in Georgia since 1994, with nine companies at present. Between 1994 and 2012, 10.7 MMBBL of oil was produced from existing fields, but no new commercial discoveries have been made. In 2006, Frontera Resources started to acquire 80 square kilometers (31 square miles) of 3D seismic in Block XII in eastern Georgia (Tethys, 2013) (Figure 6-1).

Block VIII has been tested to Jurassic age rocks. Exploration activity focused primarily on Cretaceous age targets of the Ahalkalaki and East Kavtiskhevi anticlines, which have some surface expression on the northeastern border of the block. The map in Figure 6-1 shows oil flow or oil shows in wells as black triangles. Gas flow or gas shows are shown as red triangles (Strait and Georgian, 2011).

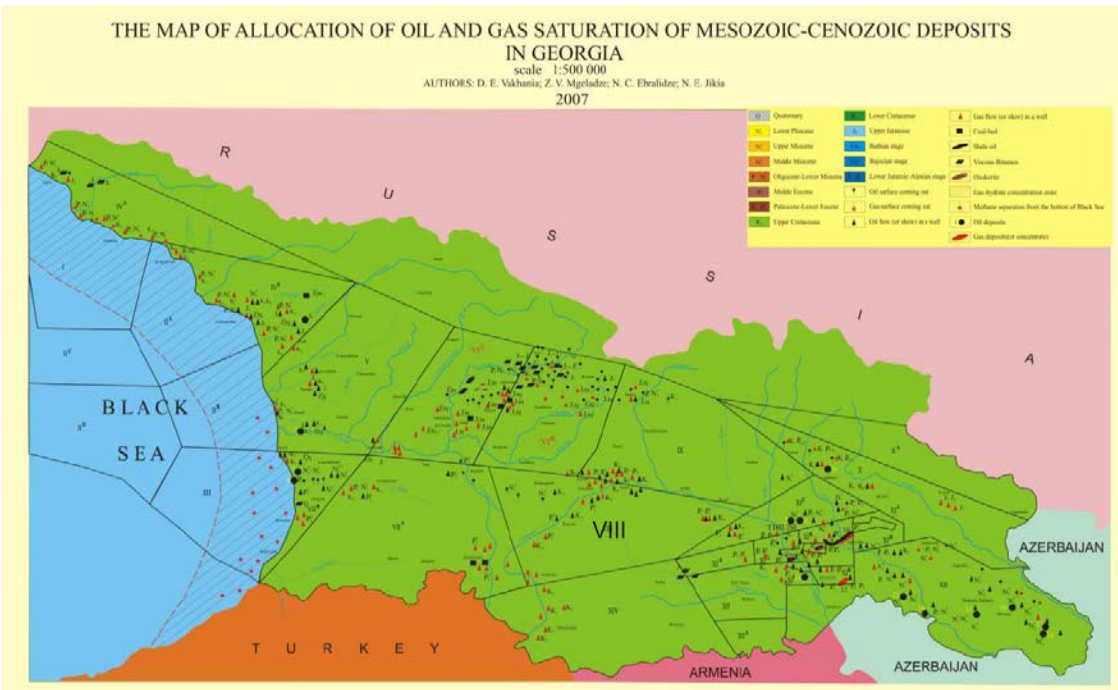


Figure 6-1 Map of Oil and Gas Occurrences in Georgia

Oil and gas seeps are present and oil and gas shows have been encountered in numerous wells on Block VIII. These occurrences have been found in Cretaceous sedimentary rocks and carbonate rocks, and Eocene age clastic rocks. Oil and gas shows from the Maikop and a nine day test of 40 tonnes of oil from Maikop at 1,032 meters in the #13 well also were reported (Strait and Georgian, 2011).

There are a number of wells shown on Figure 6-1 and the geologic map that fall on License Block XI^{G}. The status of these wells is largely unavailable for this Report.

7. RISKS

The risk of finding commercial quantities of hydrocarbons is significant for this area. The 2D seismic dataset provided is widely spaced, especially for the apparent structural complexity here. There are numerous apparent faults that could either enhance the fracturing of the reservoir rock or cause compartmentalization of the hydrocarbons. The Kumisi #1 well reportedly tested water with non-commercial quantities of gas from the Middle and Lower Eocene with the Cretaceous results unknown. The principle risk here is in finding reservoir quality rock or a fracture density sufficient to provide storage and productivity of hydrocarbons.

8. PROBABILISTIC RESOURCE ESTIMATE

8.1 GENERAL

A probabilistic resource analysis is most applicable for projects such as evaluating the potential resources of an exploratory area like these exploration licenses, where little data are available as to the values of the reservoir parameters. The range of the expected reservoir data is quantified by probability distributions, and an iterative approach yields an expected probability distribution for potential resources. This approach allows consideration of most likely resources for planning purposes, while gaining an understanding of what volumes of resources may have higher certainty, and what potential upside may exist for the project.

This method involves estimating probability distributions for uncertain reservoir parameters and performing a statistical risk analysis involving multiple iterations of reserve calculations generated by random numbers and the specified distributions of reservoir parameters. To do this, each parameter incorporated in our resource calculations was evaluated for its expected probability distribution. The parameters for these input distributions were selected based on a review of all available data.

The analysis for this project was carried out considering the range of values for all parameters in the volumetric resource equations. All prospects identified by Gustavson's analysis of the seismic and surface data were analyzed in detail.

8.2 INPUT PARAMETERS

This method involves estimating probability distributions for the range of reservoir parameters and performing a statistical risk analysis involving multiple iterations of resource calculations generated by random numbers and the specified distributions of reservoir parameters. To do this, each parameter incorporated in our resource calculation was evaluated for its expected probability distribution.

The input parameters used were based on a combination of the data provided by Skyland and engineering experience. The porosity estimates are a blend of matrix and fracture porosity as these types of reservoirs typically have very low matrix porosity but are enhanced by fractures. The gross thicknesses were counted up from the available logs. The net to gross ratios were based on literature provided as well as independent verification from available logs. Reservoir depths and areas were calculated from our independent seismic interpretation of the prospect. Summaries of input parameters are shown in Table 8-1 through Table 8-3.

Due to the paucity of data that are available about the likely distribution of the reservoir parameters, simple triangular distributions with specification of minimum, most likely, and maximum values were used for most of the parameters. For reservoir area, P_{90}, most likely or mode, and P_{10} values were specified for the triangular distributions. The exception to this is the Cretaceous reservoir area and net thickness, for which cumulative distributions with specification of P_{90}, P_{50}, and P_{10} values were used.[10] Note that these parameters represent average parameters over the entire prospect. So, for example, the porosity ranges do not represent the range of what porosity might be in a particular well or a particular interval, but rather the reasonable range of the average porosity for the whole prospect. Gustavson is of the opinion that this is a reasonable approximation, and has used the same methodology.

[10] The original intention was that the low values specified would represent P_{90} values; however, this assumption resulted in some negative values. Truncation of the distributions at zero caused the resulting distribution to differ from the intended parameters; therefore, the cumulative distribution was used to specify the desired parameters.

Table 8-1 Summary of Input Parameters for Middle Eocene

	Source of Parameter	Min	Most Likely	Max
Oil Gravity, API	CanArgo report for West Rustavi field	35	36	40
Gas Oil Ratio, scf/bbl	Patton paper	350	400	450
Gas Gravity		0.65	0.7	0.75
Reservoir Depth, ft.	Seismic interpretation	4,856	5,840	6,100
Temperature Gradient, °F/100ft	Patton paper	1.38	1.54	1.69
Pressure Gradient, psi/ft.	Patton paper	0.38	0.395	0.41
Porosity, %	Rustavi field	6	12	20
Water Sat., %	Rustavi field	30	35	40
Productive Area, acres	Seismic interpretation	2,372	4,448	6,178
Gross Thickness, ft	logs	492	738	951
Net to Gross, frac	Grynberg, et al. paper, and Kumisi 1 well	0.10	0.25	0.35
% Recovery	Experience with similar reservoirs	25	30	35

Table 8-2 Summary of Input Parameters for Lower Eocene

	Source of Parameter	Min	Most Likely	Max
Gas Gravity	CanArgo report on West Rustavi Field	0.65	0.7	0.75
Fraction N_2	Gas sample		0.112	
Fraction CO_2	Gas sample		0.0025	
Reservoir Depth, ft.	Seismic interpretation	5,578	6,562	6,900
Temperature Gradient, °F/100ft	Patton paper	1.38	1.54	1.69
Pressure Gradient, psi/ft.	Patton paper	0.38	0.395	0.41
Porosity, %	Rustavi field	6	13	20
Water Sat., %	Skyland	20	25	30
Productive Area, acres	Seismic interpretation	2,372	4,448	6,178
Gross Thickness, ft	logs	492	525	886
Net to Gross, frac	Kumisi 1 well	0.10	0.20	0.40
% Recovery	Experience with similar reservoirs	75	80	85

Table 8-3 Summary of Input Parameters for Cretaceous

	Source of Parameter	Min	Most Likely	Max
Gas Gravity	Can Argo report on West Rustavi Field	0.65	0.7	0.75
Fraction N_2	Gas sample	0.112		
Fraction CO_2	Gas sample	0.0025		
Reservoir Depth, ft.	Seismic interpretation	7,809	9,614	10,000
Temperature Gradient, °F/100ft	Patton paper	1.38	1.54	1.69
Pressure Gradient, psi/ft.	Patton paper	0.38	0.395	0.41
Porosity, %	Previous report	5	10	13
Water Sat., %	Previous report	30	40	50
Productive Area, acres	Seismic interpretation	4,423	12,726	19,571
Net Thickness, ft	Previous report	49.2	164.1	328.1
% Recovery	Experience with similar reservoirs	75	80	85

In a probabilistic analysis, dependent relationships can be established between parameters if appropriate. For example, portions of a reservoir with the lowest effective porosity generally may be expected to have the highest connate water saturation, whereas higher porosity sections have lower water saturation. In such a case, it is appropriate to establish an inverse relationship between porosity and water saturation, such that if a high porosity is randomly estimated in a given iteration, corresponding low water saturation is estimated. The degree of such a correlation can be controlled to be very strong or weak. This type of dependency, with a medium strength of -0.7, was used in this study for porosity with water saturation.

8.3 PROBABILISTIC SIMULATION

Probabilistic resource analysis was performed using the Monte Carlo simulation software called "@ Risk". This software allows for input of a variety of probability distributions for any parameter. Then the program performs a large number of iterations, either a large number specified by the user, or until a specified level of stability is achieved in the output. The results include a probability distribution for the output, sampled probability for the inputs, and sensitivity analysis showing which input parameters have the most effect on the uncertainty in each output parameter.

After distributions and relationships between input parameters were defined, a series of simulations were run wherein points from the distributions were randomly selected and used to calculate a single iteration of estimated potential resources. The iterations were repeated until stable statistics (mean and standard deviation) result from the resulting output distribution. This occurred after 5,000 iterations.

8.4 RESULTS

The output distributions were then used to characterize the Prospective Resources. Graphs of cumulative probability versus prospective resources were constructed. Results are summarized in Table 8-4 and Table 8-5. There is no certainty that it will be commercially viable to produce any portion of the resources. The distribution graphs for the resource estimates can be found in the Appendix to this Report.

Table 8-4 Gross Unrisked Prospective Resources, License Block XI^{G}, South Prospect

Reservoir	Parameter	Low Estimate	Best Estimate	High Estimate
Middle Eocene	**Prospective Oil Resources, MMBbl**	**48**	**104**	**192**
Middle Eocene	Prospective Solution Gas Resources, BCF	19	42	77
Lower Eocene	Prospective Gas Resources, BCF	146	319	600
Cretaceous	Prospective Gas Resources, BCF	112	674	1,979
Arithmetic Total Gas	**Prospective Gas Resources, BCF**	**277**	**1,035**	**2,656**

Table 8-5 Unrisked Prospective Resources Net to Skyland (20%), License Block XI^G, South Prospect

Reservoir	Parameter	Low Estimate	Best Estimate	High Estimate
Middle Eocene	**Prospective Oil Resources, MMBbl**	**9.7**	**20.7**	**38.4**
Middle Eocene	Prospective Solution Gas Resources, BCF	3.9	8.3	15.3
Lower Eocene	Prospective Gas Resources, BCF	29.2	63.9	120.1
Cretaceous	Prospective Gas Resources, BCF	22.4	134.7	395.7
Arithmetic Total Gas	**Prospective Gas Resources, BCF**	**55.5**	**206.9**	**531.1**

Note that these estimates do not include consideration for the risk of failure in exploring for these resources. Prospective Resources are defined as "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity."[11] There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. The Low Estimate represents the P_{90} values from the probabilistic analysis (in other words, the value is greater than or equal to the P_{90} value 90% of the time), while the Best Estimate represents the P_{50} and the High Estimate represents the P_{10}.[12]

[11] *Petroleum Resources Management System*, Society of Petroleum Engineers (SPE), March 2007, Page 3.
[12] *Petroleum Resources Management System*, Society of Petroleum Engineers (SPE), March 2007, Page 2.

It should be noted that the shape of the probability distributions all result in wide spacing between the minimum and maximum expected resources. This is reflective of the high degree of uncertainty associated with any evaluation such as this one prior to actual field discovery, development, and production. Also note that, in general, the high probability resource estimates at the left side of these distributions represents downside risk, while the low probability estimates on the right side of the distributions represent upside potential. These distributions do not include consideration of the probability of success of discovering commercial quantities of oil, but rather represent the likely distribution of oil discoveries, if successfully found.

9. COMPETENT EXPERT’S CONSENT FORM

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by and under the supervision of Letha Chapman Lencioni, who is a Professional Engineer. Ms. Lencioni is employed by Gustavson Associates. She has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Expert as defined in the 2005 Edition of the VALMIN Code. Ms. Lencioni consents to the inclusion of the report of the matters based on her information in the form and context in which it appears.

Gustavson Associates LLC and Letha Lencioni hereby consent to the use of all or any part of this Resource Evaluation Report for Skyland’s leaseholds in the Republic of Georgia, as of 18 November, 2015, in any document filed with any Australian Securities Commission by MUI.

I, Letha Chapman Lencioni, Professional Engineer of 5757 Central Avenue, Suite D, Boulder, Colorado, 80301, USA, hereby certify:

- I am an employee of Gustavson Associates, which prepared a detailed analysis of the properties of MUI Corp. The effective date of this evaluation is November 18, 2015.
- I do not have, nor do I expect to receive, any direct or indirect interest in the securities of MUI Corporation or its affiliated companies, nor any interest in the subject properties.
- I have read and understood the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, the 2005 Edition of The VALMIN Code.
- I am a Competent Person as defined by clause 20 of the 2005 VALMIN Code. I attended the University of Tulsa and I graduated with a Bachelor of Science Degree in Petroleum Engineering in 1980; I am a Registered Professional Engineer in the States of Colorado and Wyoming, and I have in excess of 30 years’ experience in the conduct of evaluation and engineering studies relating to oil and gas fields.
- I have reviewed the Report to which this Consent Statement applies.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Petroleum Resources.

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

…………………………………………………………………………………………………...........

Gustavson Associates, LLC

	December 3, 2015
Signature of Competent Person:	Date:
Registered Professional Engineer, State of Colorado Registered Professional Engineer, State of Wyoming	29506 8493
Professional Membership:	Membership Number:
	Michele Bishop Boulder, CO USA
Signature of Witness:	Print Witness Name and Residence (e.g. Town/Suburb):

Additional Deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

None.

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

None.

	December 3, 2015
Signature of Competent Person:	Date:
Registered Professional Engineer, State of Colorado Registered Professional Engineer, State of Wyoming	29506 8493
Professional Membership:	Membership Number:
	Michele Bishop Boulder, CO USA
Signature of Witness:	Print Witness Name and Residence (e.g. Town/Suburb):

10. CERTIFICATE OF QUALIFICATION

I, Letha Chapman Lencioni, Professional Engineer of 5757 Central Avenue, Suite D, Boulder, Colorado, 80301, USA, hereby certify:

1. I am an employee of Gustavson Associates, which prepared a detailed analysis of the oil and gas properties of Skyland. The effective date of this evaluation is December 3, 2015.
2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of MUI Corp. or its affiliated companies, nor any interest in the subject property.
3. I attended the University of Tulsa and I graduated with a Bachelor of Science Degree in Petroleum Engineering in 1980; I am a Registered Professional Engineer in the States of Colorado and Wyoming; I have been a member of the Society of Petroleum Evaluation Engineers since 1998; and I have in excess of 30 years' experience in the conduct of evaluation and engineering studies relating to oil and gas fields, including estimating quantities of reserves and resources.
4. As a Registered Professional Engineer in the States of Colorado and Wyoming and a member of the Society of Petroleum Evaluation Engineers, I am subject to the codes of ethics / rules of conduct of all these associations/boards.

COLORADO REGISTERED
LETHA CHAPMAN LENCIONI
29506
PROFESSIONAL ENGINEER

Letha Chapman Lencioni
Vice-President, Petroleum Engineering
Gustavson Associates, LLC
Colorado Registered Engineer #29506
Wyoming Registered Engineer #8493

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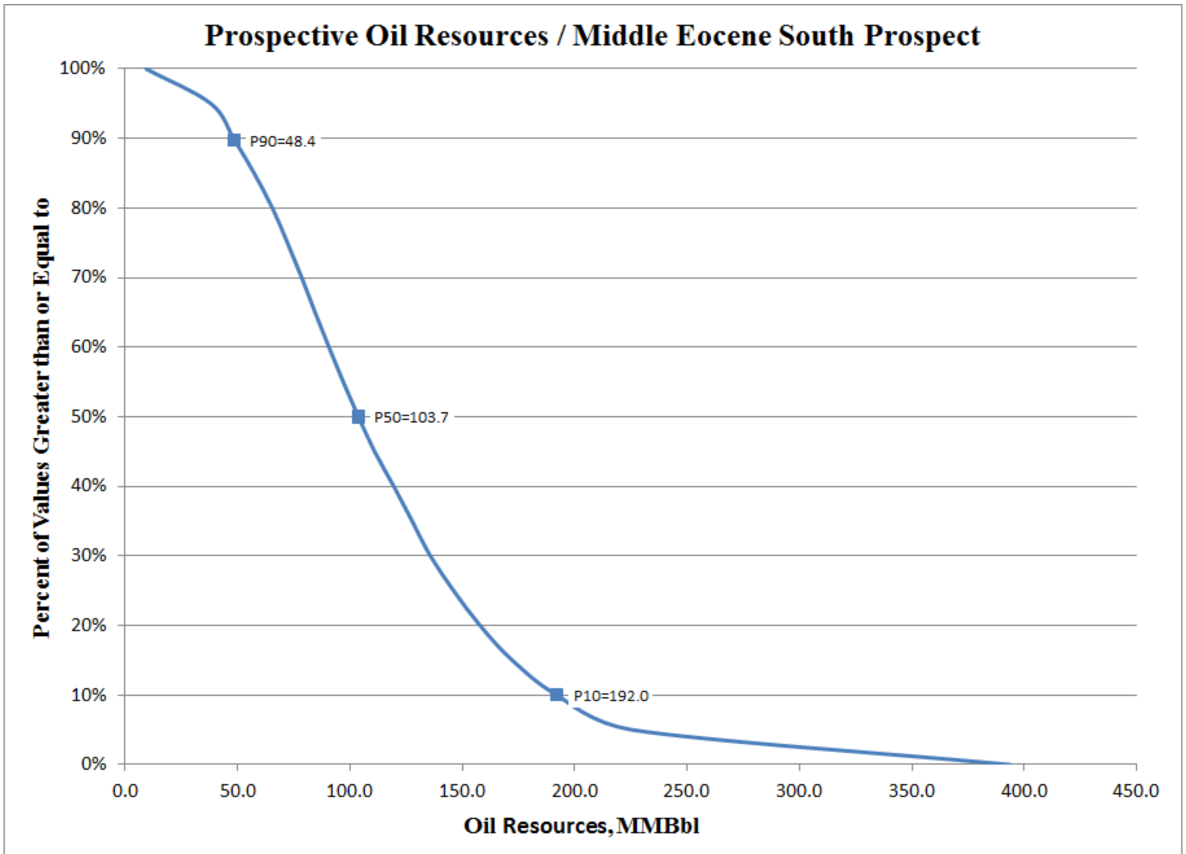
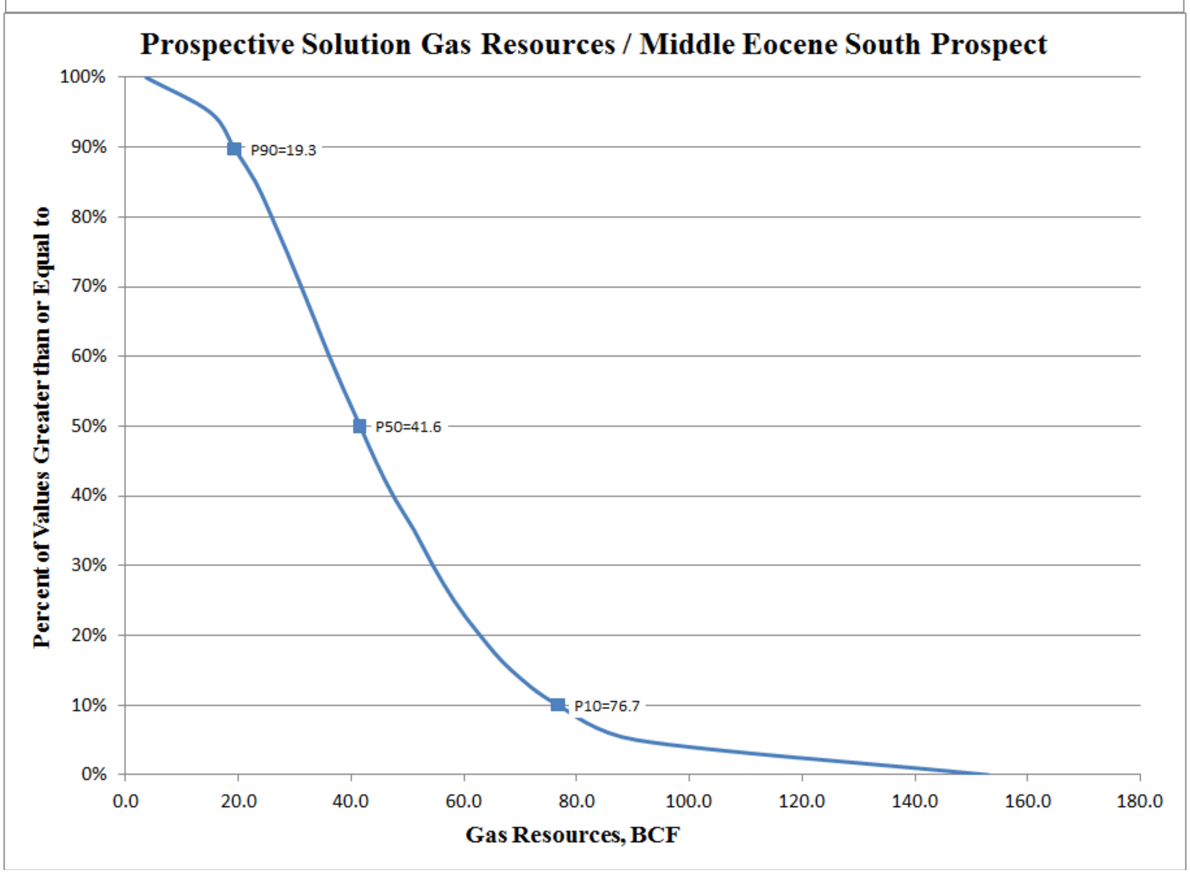
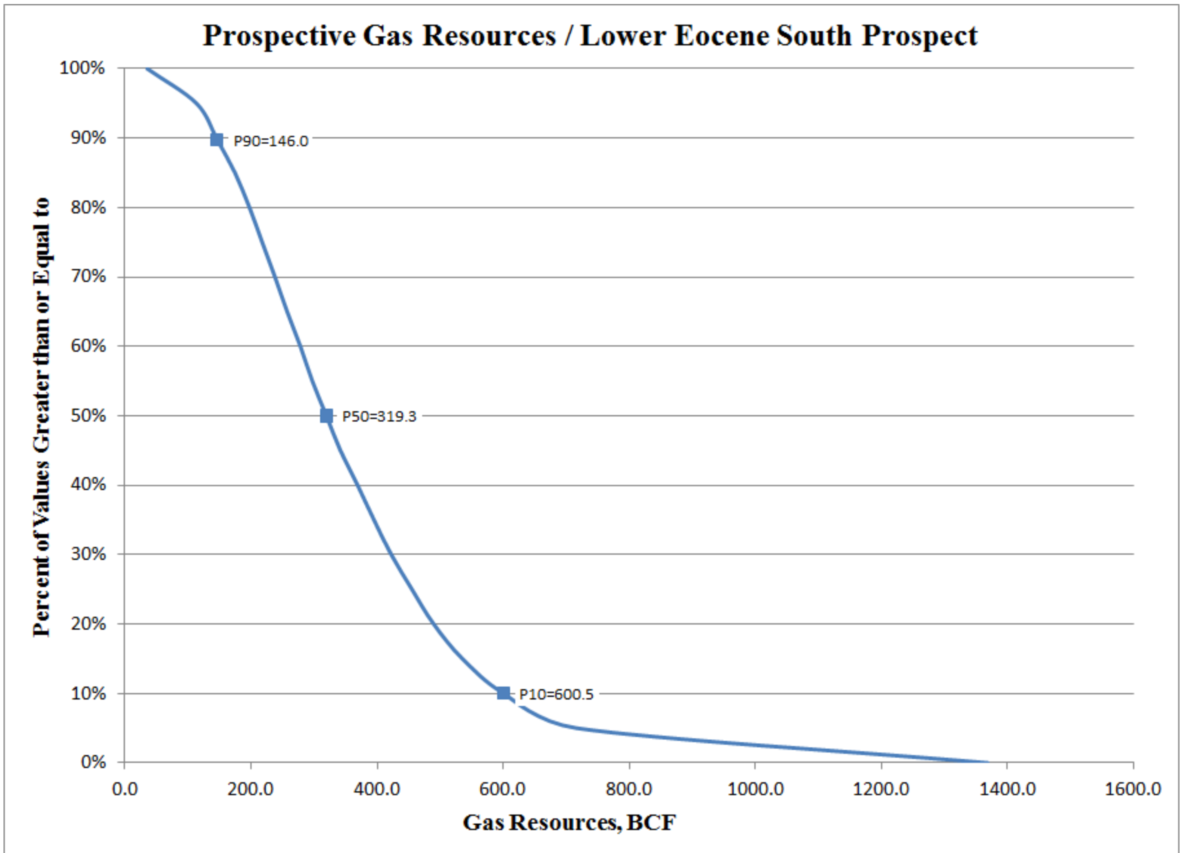
APPENDIX A

Resource Distributions


Prospective Oil Resources / Middle Eocene South Prospect
Percent of Values Greater than or Equal to
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
P90=48.4
P50=103.7
P10=192.0
0.0
50.0
100.0
150.0
200.0
250.0
300.0
350.0
400.0
450.0
Oil Resources, MMBbl


Prospective Solution Gas Resources / Middle Eocene South Prospect
Percent of Values Greater than or Equal to
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
P90=19.3
P50=41.6
P10=76.7
0.0
20.0
40.0
60.0
80.0
100.0
120.0
140.0
160.0
180.0
Gas Resources, BCF


Prospective Gas Resources / Lower Eocene South Prospect
Percent of Values Greater than or Equal to
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
P90=146.0
P50=319.3
P10=600.5
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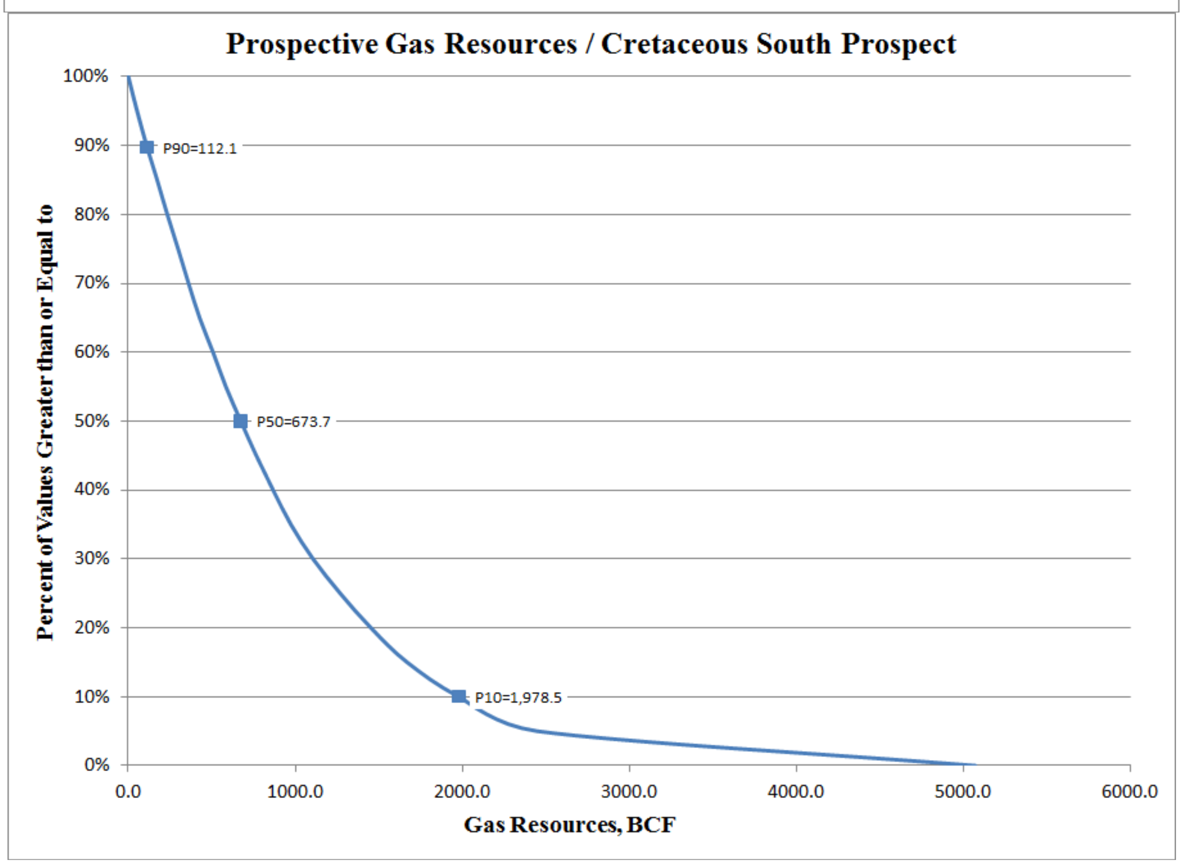
200.0
400.0
600.0
800.0
1000.0
1200.0
1400.0
1600.0
Gas Resources, BCF


Prospective Gas Resources / Cretaceous South Prospect
Percent of Values Greater than or Equal to
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
P90=112.1
P50=673.7
P10=1,978.5
0.0
1000.0
2000.0
3000.0
4000.0
5000.0
6000.0
Gas Resources, BCF

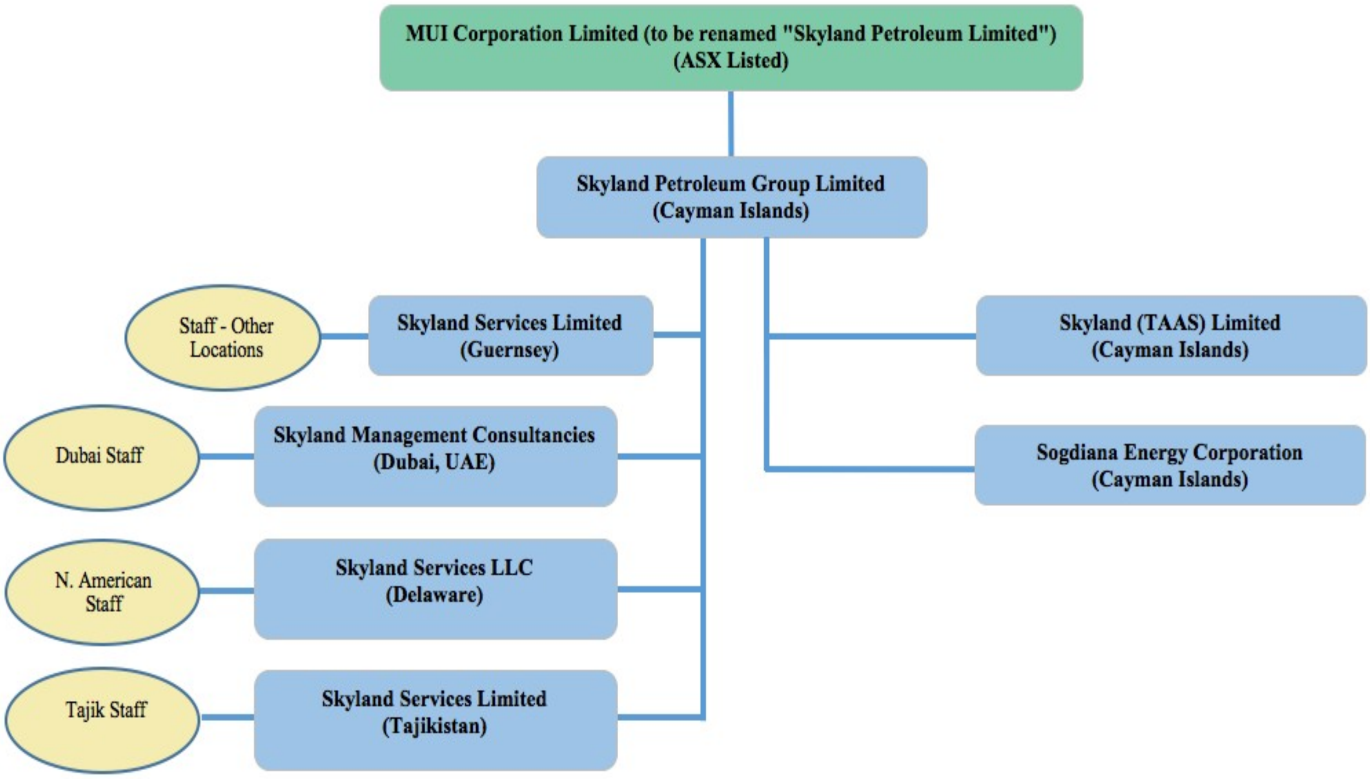
12. Additional Information

12.1 Company Information

The Company is an Australian company listed on ASX. It is proposed that the Company change its name to "Skyland Petroleum Limited" (should shareholder approval be granted at the General Meeting), with a proposed change of ASX code from MUI to "SKP".

Following the Acquisition, SPG will be a wholly owned subsidiary of the Company.

Immediately following the Acquisition, the group structure of the Enlarged Company is set out below (all entities are 100% owned):



12.2 Continuous Disclosure and Documents Available for Inspection

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. The Company's announcements are available free of charge on the ASX website or on request to the Company.

12.3 Material Contracts

Set out below is a summary of the contracts to which the Company (or SPG) is a party that are material to the terms of the Offers, and the operations of the Company's business following the Acquisition, and as such may be relevant to new investors making a decision to invest in the Company. To understand fully the terms and conditions of the contracts it would be necessary to read each contract in full.

12.3.1 Share Exchange Agreement

The principal feature of the Share Exchange Agreement is that the Company will acquire all the issued capital in SPG from the Vendors in consideration for the issue of the Acquisition Shares.

Completion of the Acquisition is subject to satisfaction (or waiver) of the following conditions precedent:

- the Company conducting, and being satisfied in its absolute discretion, of the results of its due diligence investigations on SPG and its oil and gas Projects;

- the execution by the Vendors of any applicable and appropriate restriction agreements relating to the Acquisition Shares;

- The Company not issuing any further shares, options or any other right to subscribe for shares prior to Completion;

- the parties obtaining all necessary regulatory, third party and shareholder consents and approvals, including but not limited to the Company obtaining shareholder approval for:

    - the issue of the Acquisition Shares pursuant to ASX Listing Rule 7.1;

    - the Consolidation of the Company's issued capital;

    - the issue of Shares under the Public Offer;

    - the change in the Company's activities from an investment company to an oil and gas exploration and production company;

    - the approval of the issue of a maximum of 170,000,000 Shares at a price of $0.10 per Share (to facilitate the Maximum Subscription under the Prospectus);

    - the lodgment of this Prospectus prepared by the Company with ASIC with respect to the Offers and ensuring compliance with Chapters 1 and 2 (Re-compliance) of the ASX Listing Rules;

    - the successful completion of the Public Offer; and

    - ASX issuing a letter to the Company confirming that it will re-instate the quotation of the Shares on ASX on Completion of the Acquisition upon completion of the Re-compliance on terms and conditions acceptable to the Company.

Under the Share Exchange Agreement, the Company will appoint seven persons nominated by the Vendors to the board of directors of the Company on Completion of the Acquisition, being the Proposed Directors as defined in this document.

Messrs. Bell and Silva will resign as Directors on Completion of the Acquisition.

The terms of the Share Exchange Agreement is otherwise on terms considered standard for this type of agreement.

12.3.2 Personnel Services Agreements

Following the Acquisition, it is the intention of the Company to maintain relevant and appropriate employment contracts and service agreements with its staff – those such staff being employed by entities contained within the SPG group structure.

SPG has agreements with Vazon Energy Limited for the provision of services of Dr David Robson and Elizabeth Landles. Vazon Energy Limited will be paid fees for the services of Dr Robson as Executive Chairman and Managing Director and for the services of Ms Landles as Executive Director and Group Corporate Secretary.

Under these agreements Dr Robson will receive annual fees of USD 541,752 and Ms Landles will receive annual fees of USD 314,000.

Mr Mark Sarssam has a contract with SPG for his engagement as Chief Operating Officer which is on standard commercial terms. Mark Sarssam is entitled to be paid a salary of USD $310,000 per annum for his services.

The specific roles and experience of each Executive Director of SPG are set out in section 7.4 of this Prospectus.

12.3.3 Deeds of Indemnity, Insurance and Access

The Company has entered into Deeds of Indemnity, Insurance and Access with each of its Directors pursuant to which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors whilst acting as a Director of the Company (or a subsidiary), to insure the Directors against certain risks to which the Directors are exposed to as a Director of the Company and to grant to the Director a right of access to certain records of the Company for a period of seven years after the Director ceases to be a Director.

On completion of the Acquisition, the Company and the Proposed Directors (including Mr. Domenic Martino) (who are nominees of the Vendors and proposed Directors of the Company, subject to shareholder approval) will enter into separate Deeds of Indemnity, Insurance and Access on terms consistent with the presently existing Deeds of Indemnity with Directors.

After the appointment of the Proposed Directors and Officers of SPG (see Sections 7.4, 7.5 and 7.6), the Proposed Directors and Officers may enter into a Deed of Indemnity, Insurance and Access with the Company pursuant to which the Company agrees to indemnify the Proposed Directors and Officers against certain liabilities incurred whilst acting as an officer of the Company or the group, to insure the Officers against certain risks to which they may be exposed to as an Officer of the Company and to grant to them a right of access to certain records of the Company for a period of seven years after he ceases to be an officer. If so enacted, these Deeds will continue upon completion of the Acquisition.

12.3.4 Key Material SPG Contracts

The Directors consider that the key material contracts of SPG are the project contracts relating to the company's asset in Tajikistan (Kyzyl-Tumshuk Field) and Georgia (Block XI^G concession).

Tajikistan

As specified above and in Section 10, the Kyzyl-Tumshuk field is licensed to and owned by the State company Naftugaz. SPG currently holds an Investment and Operating Agreement ("IOA") for this field. Naftugaz remains the owner of the license, but with SPG operating the field.

Under the terms of the IOA, SPG shall be responsible for all operations and operating expenses on the field and shall receive a percentage of the incremental oil and gas produced as a result of SPG's activities (70% whilst recovering costs and 50% thereafter). A 6% taxation royalty is applicable, but this is permitted for cost recovery purposes. SPG will pay local corporate profit taxes (15%) and other minimal fees. SPG entered into the Kyzyl-Tumshuk IOA in October 2015 and must commence works within 12 months. Initial works will include workovers and recompletions followed by drilling to target both oil and gas production.

SPG expects to commence operations in Q1 2016, subject to the Offers being successful.

Georgia

As specified in Section 10.2.4, SPG will come into the Block XI^G project through the acquisition of a wholly-owned GOG subsidiary, Tbilisi Petroleum Limited ("**TBPL**"). As at the date of this Prospectus, TBPL holds 1% of the contract rights under the PSC and will, upon completion of the acquisition, receive a re-adjustment of the PSC interest between the contractor parties to the PSC through the assignment of 19% of the contract interest from an existing affiliate under the PSC (such affiliate also being a wholly-owned subsidiary of GOG).

The share capital of TBPL (and the rights it has under the PSC) will be acquired from GOG for consideration of USD2,000,000; representing an investment into the work programme and repayment of back costs to GOG. In turn, this will translate into an effective carry for SPG of USD1,160,000 to gain a 20% working interest in the PSC, with USD840,000 as SPG's equity share of well costs.

12.3.5 Agreement to Procure Capital

MUI has entered into an agreement with Cedrus Investments Limited for the procurement of Applications as part of the Public Offer. The key terms of the agreement are as follows:

- Cedrus Investments Limited is entitled to a fee of 4% of the dollar amount of shares issued to investors as a direct result of their services (provided Minimum Subscription is met); and
- Subject to prior approval of an expense from the Company, reimbursement of expenses up to USD 150,000.

12.4 Other Additional Information

12.4.1 Rights Attaching to Shares

Details of the rights attaching to Shares arise from a combination of statute, general law and the Constitution. The following is a summary of the more significant rights, privileges and restrictions attaching to Shares and the Constitution. This summary is not intended to be exhaustive and must be read subject to the full text of the Constitution. New Shares issued under this Prospectus will rank pari passu in all respects with the Existing Shares.

12.4.2 Voting

Shareholders are entitled to notice of and to attend general meetings of the Company. Subject to the voting rights of preference shares and any other shares which may in the future be issued with special or preferential rights, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid Share. In the case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote. Preference shareholders have no right to vote save for in the circumstances set out in Listing Rule 6.3.

12.4.3 Dividends

Subject to the dividend rights of preference shares and any shares which may in the future be issued with special or preferential rights, the Directors may declare a dividend to be paid to Shareholders entitled to that dividend. The Directors may set aside out of the profits of the Company such amounts as they 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. Dividends may be paid wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, the Company or any other body corporate.

If the Company pays a dividend by distributing paid up shares in a body corporate whether by issue or transfer, each member agrees to become a member of that body corporate and in the case of a transfer of shares appoints the Company and each Director of the Company as its agent to execute the relevant instrument of transfer.

12.4.4 Capital Reductions

In accordance with Part 2J.1 of the Corporations Act, a meeting of members may, by resolution, resolve that the Company may reduce its share capital by the distribution of specific assets, including paid up shares in, or debentures of, the Company or any other body corporate.

If the Company reduces its share capital by distributing paid up shares in a body corporate whether by issue or transfer, each member agrees to become a member of that body corporate and in the case of a transfer of shares appoints the Company and each Director of the Company as its agent to execute the relevant instrument of transfer.

12.4.5 Capitalisation of Profits and Conversion of Shares

Subject to the ASX Listing Rules, the Directors or Shareholders at a general meeting may resolve to capitalise and distribute any undivided profits of the Company to members in the same proportions as if distributed by way of dividend.

The Company in general meeting may convert all or any of its shares into a larger or smaller number of shares by ordinary resolution.

12.4.6 Rights on Winding Up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the members in the proportions which the amount paid on the Shares of a member is of the total amounts paid and payable on the Shares of all members.

The liquidator in a winding up may, with the sanction of a special resolution of members, divide among the members the whole or any part of the property of the Company and determine how the division is to be carried out as between the members or different classes of members.

12.4.7 Offer of Shares

Without prejudice to any special rights conferred on the holders of any shares or class of shares and subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue shares and options on such terms and conditions as the Directors think fit.

12.4.8 Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and the ASTC Settlement Rules, the Shares are freely transferable. A member may transfer shares by a market transfer in accordance with any manner required or permitted by the ASX Listing Rules, the Corporations Act or the ASTC Settlement Rules. Shares may also be transferred by an instrument in writing in any usual or common form or in such other form as the Directors approve or in such form as is required by the ASTC Settlement Rules.

12.4.9 Unmarketable Parcels

The Constitution provides that the Directors may cause the Company to sell a member's shares if that member holds less than a marketable parcel of shares, provided that the procedures set out in the Listing Rules and Schedule 1 of the Constitution are followed. A non-marketable parcel of shares is defined in the ASX market rules and is, generally, a holding of shares with a market value less than $500.

12.4.10 ASX Listing Rules

While the Company is admitted to the Official List of ASX, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if the ASX Listing Rules require a provision to be included in the Constitution, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will not be treated as containing that provision to the extent of the inconsistency.

12.4.11 Variation of Rights

The Company may only modify or vary the rights attaching to any class of shares with the consent in writing of the shareholders with at least 75% of the votes in the class or by special resolution passed at a meeting of the holders of the issued shares of that class.

12.4.12 Directors

The minimum number of Directors is 3 and the maximum is 8 unless the Company in a general meeting determines otherwise. A Director is not required to hold any shares.

At the Company's annual general meeting, one-third of all Directors shall retire from office and a Director must retire no later than the third annual general meeting or 3 years following their last election or appointment.

12.4.13 Directors' Resolutions

The Directors may pass a resolution in a meeting by a majority of the votes cast by the Directors entitled to vote on the resolution or without a Directors' meeting being held if all of the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.

In the case of an equality of votes, the Chairman shall have a casting vote in addition to any vote which he or she has as a

Director.

12.4.14 Directors' Indemnity and Insurance

To the extent permitted by the Corporations Act, the Company may indemnify every person who is or has been an officer of the Company and, where the Board considers it appropriate, any person who is or has been an officer of a related body corporate of the Company against any liability incurred in his or her capacity as an officer of the Company or a related body corporate.

Except to the extent prevented by the Corporations Act, the Company may pay, or agree to pay, a premium for a contract insuring an officer of the Company or a related body corporate of the Company against any liability incurred by the person in that capacity, except a liability (other than one for legal costs) arising out of:

- conduct involving a wilful breach of duty in relation to the Company; or
- a contravention of sections 182 or 183 of the Corporations Act.

12.4.15 Alteration to the Constitution

The Corporations Act provides that the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution.

12.4.16 Details of the Conversion Offer

The Company has sought approval under Resolution 14 of the Notice of General Meeting (to be considered on 18 February 2016) to issue 13,000,000 Shares (on a post-Consolidation basis) to Roadhouse Electronics Pty Limited on conversion of that entity's convertible note, which has a principal amount of $500,000 and accrued interest of $150,000 as at the date of the filing of the Notice of Meeting.

The shares in relation to the Conversion Offer will be issued on conversion of the convertible note in accordance with the following calculation:

> *$650,000 (principal and interest) will be converted at $0.001 per share (pre-Consolidation) in accordance with the terms of the convertible note, resulting in 650,000,000 Shares being issued, on which the consolidation (at 50:1) will become 13,000,000 Shares.*

The Shares are expected to be issued as soon as possible after the date of the General Meeting (upon Completion of the Acquisition) and in any event no later than 3 months (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) after the date of the General Meeting. It is intended that the allotment will occur on the same date.

The shares being issued pursuant to the Conversion Offer are to be fully paid ordinary Shares and will rank equally in all respects with the existing ordinary Shares on issue in the Company.

The shares being issued pursuant to the Conversion Offer are being issued in relation to a convertible note and accordingly no funds will be raised from the issue.

12.4.17 Details of the Options Offer

The Company has sought approval under Resolution 16 of the Notice of General Meeting (to be considered on 18 February 2016) to adopt a Stock Incentive Plan to:

- establish a method, and establish an incentive by which Eligible Persons can participate in the future growth and profitability of the Company; and
- attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Shareholder approval has been sought in relation to the Stock Incentive Plan to enable the Company to issue the Options under the Options Offer without being required to include such Options within the Company's 15% limit for the purpose of ASX Listing Rule 7.1.

The Board is of the opinion that the engagement and retention of highly-skilled and qualified executive and employees will be a crucial factor in the Company's ongoing commercial success. Given that the Company will, in accordance with the resolutions set out in the Notice of Meeting for the General Meeting, undertake commercial activities in the upstream oil and gas industry, the Board considers that for the purposes of achieving strategic objectives, acting as a reputable and competitive player in the market, and maximising shareholder value, it is important to be able to offer balanced and proportionate remuneration to the Company's human capital assets.

A summary of the terms of the Stock Incentive Plan is set out below at Section 12.4.18.

A summary of the terms of the Options under the Stock Incentive Plan – being those Options subject to the Options Offer (as specified above) – is set out at Section 0.

12.4.18 Summary of the Stock Incentive Plan

Eligibility	"**Eligible Person**" means any director, employee or consultant of the Company or any subsidiary. The Remuneration and Nomination Committee (the "**Committee**") shall have the power to determine to which Eligible Persons Options are to be granted and to grant such Options.
Administration	The Plan shall be managed by the Committee which shall have the power to determine the appropriate procedures for the administration of the Plan. The Board shall appoint the Committee and where the Committee is not established for the purposes of the Plan the Board shall be responsible for the administration of the Plan.
Grant	The Company may grant Options to any Eligible Persons on the basis of recommendations of grant by the Committee.
Option Price	The Option Price on Shares that are subject of any Options shall in no circumstances be lower than the Market Price of the Shares at the date of the grant of the Option. The "Market Price" shall be the price of the Shares (being the ordinary shares of the Company or, in the event of an adjustment due to any subdivision, consolidation or reclassification of the ordinary shares of the Company, the payment of stock dividends by the Company (other than dividends in the ordinary course) (or other relevant changes in the capital stock of the Company) on any stock exchange on which the Company's Shares are listed (to be determined by where the majority of the trading volume and value of the Shares occurs) on the last Business Day preceding the date of the grant of the Option. The Committee shall have the power to determine the Option Price.
Exercise Period	Options may be exercised from time to time before the expiry date and the exercise period shall be determined by the Committee.
Lapse	To be determined by the Committee.
Shares Issued	A share issued on the exercise of an option shall be a fully paid ordinary share in the Company ranking equally with, and having the same rights and entitlements attaching to it as, other ordinary shares in the Company on issue at the date of the allotment of the option share.
Restrictions on Transfer	Options may only be transferred, assigned or charged to Permitted Assigns (being any person/entity entitled to have the options assigned thereto under securities laws current in that jurisdiction and at that time current and permitted) or otherwise with SPG's prior written consent.
Regulatory Approval	If required by any stock exchange on which the Company's shares are listed, the Plan shall be subject to the approval of the shareholders to be given by a resolution of such shareholders at a general meeting. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval is given.

12.4.19 Summary of Option Terms

The Options will not be quoted on the ASX.
The Options will be exercisable at any time prior to 5:00pm AEST, five years from the date of issue. Options not exercised on or before the Expiry Date will automatically lapse.
The Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date.
Each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of $0.125 per Share.
Upon the exercise of an option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.
A summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent.
Any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received.
There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options.
In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the constitution of the company, the Options may be transferred at any time prior to the Expiry Date.
Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

12.5 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (the "**Recommendations**"). In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available upon request from the Company Secretary.

12.5.1 Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

In order to be consistent with these goals, the Board assumes the following responsibilities:

- to develop initiatives for profit and asset growth;
- to review the corporate, commercial and financial performance of the Company on a regular basis;

- to act on behalf of, and being accountable to, the Shareholders; and

- to identify business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

12.5.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and

- the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

Following settlement of the Acquisition, the Board will consist of 8 Directors and will adopt an Audit Committee Charter, a Reserves Committee Charter (being a committee established to review the results of reserves and resources, where appropriate) and a Remuneration and Nomination Committee Charter. In connection with this and following completion of the Acquisition the Board will appoint an Audit Committee, a Reserves Committee and a Remuneration and Nominations Committee.

In addition, following completion of the Acquisition, the Board will adopt a Board Charter which will govern the membership and responsibility of each board member.

Where a casual vacancy arises during the year, the Board will have procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

Each Director has confirmed to the Company that he anticipates being available to perform his or her duties as a non-executive director or executive director without constraint from other commitments.

The Directors consider an independent Director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Directors will consider the materiality of any given relationship on a case-by-case basis and reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Company's Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally.

12.5.3 Identification and Management Risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Board will be responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Company. The Company's management is responsible for establishing the Company's risk management framework.

The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Managing Director or Chief Financial Officer to provide required declarations.

12.5.4 Ethical Standards

The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Board also proposes to adopt a policy document which will outline employees' obligations of compliance with the Code of Conduct, and explains how the code interacts with the Company's other corporate governance policies.

It is proposed that responsibilities incorporated in the Code of Conduct will include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

12.5.5 Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

12.5.6 Remuneration Arrangements

The remuneration of an executive Director will be decided by the Board supported by recommendation of the Remuneration and Nomination Committee, 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, for Shareholder approval at the upcoming February General Meeting, at an amount not to exceed $500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors in accordance with market standards.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

The proposed role of the Remuneration and Nomination Committee is to review and make recommendations to the Board and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives. In addition, it is proposed that the Committee will be responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice may be sought by the Remuneration and Nomination Committee where appropriate.

12.5.7 Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The Securities Trading Policy explains the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and to establish procedures in relation to such persons' dealing in the Shares.

Under the terms of the policy, buying or selling Shares is not permitted at any time by any person who possesses inside information in a manner contrary to the Corporations Act or where short-term or speculative trading is involved. The policy generally provides that the written acknowledgement of the Chair or the Compliance Officer as so determined by the Board (or the Board in the case of the Chairman) must be obtained prior to trading.

12.5.8 External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

12.5.9 Audit Committee

The Company will on completion of the Acquisition adopt an Audit Committee Charter, and will have an audit committee. The Audit Committee will assist in the Company in meeting its financial reporting obligations and other tasks, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

12.5.10 Diversity Policy

The Board has not adopted a diversity policy, however the Company aims to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

12.5.11 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's expected departures from the Recommendations following completion of the Acquisition are set out below. Investors may download a copy of the current version of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations at: http://www.asx.com.au/regulation/corporate-governance-council.htm.

Principle	Recommendation	Nature of and Explanation for Departure
2.5	The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	It is customary in corporate structures for companies based within, or conducting business within, the fSU for the chief executive officer to hold the position of chairperson. SPG relies heavily upon its knowledge of local business customs in order to advance its oil and gas operations, ultimately with a view to maximising benefit for SPG's shareholders.
1.5	Companies should establish a policy concerning diversity and disclose that policy.	The Company is not of a size that justifies establishing a policy concerning diversity to gender, age, ethnicity and cultural background and disclosing the proportion of women employees in the Company, women in senior executive position and women on the Board.
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules and disclose that policy or a summary of it.	The Company does not have a formal written policy regarding compliance with Listing Rules Listing Rule compliance is governed by the Corporate Compliance Committee and the Board Charter which includes obligations as to shareholder and market communication.

12.5.12 Interests of Directors, Experts and Advisors

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

a) Director or Proposed Director of the Company;

b) 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; or

c) promoter of the Company,

has, or had within 2 years before the date of this Prospectus, 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 its formation or proportion or in connection with the Offers; or

c) the issue of New Shares under this Prospectus,

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 those persons as an inducement to become, or to qualify as, a Director or expert of the Company or otherwise for services rendered by them in connection with the formation or promotion of the Company or the issue of New Shares under this Prospectus.

Directors' Remuneration

Executive Directors remuneration is summarized at Section 12.3.2.

The Constitution provides that the Directors are entitled to such remuneration as the Company determines, but the ASX Listing Rules require that the remuneration of non-executive Directors must not exceed, in aggregate, a maximum annual amount fixed by the Company in general meeting for that purpose. At the date of this Prospectus, the Company's aggregate maximum remuneration for non-executive Directors is to be increased to $500,000 per annum, subject to approval by Shareholders through the approval of Resolution 15 at the General Meeting of the Company to be held on 18 February 2016.

Interests of Directors

The Directors are not required, pursuant to the Constitution of the Company, to hold any shares in the Company. As at the date of this Prospectus, the Directors and the Proposed Directors and their associates have interests in the following securities in the Company:

Director	Shares Held		Options Held	
	Directly	Indirectly	Directly	Indirectly
Dr. David Robson	-	-	-	-
Ms. Elizabeth Landles	-	-	-	-
Mr. Mark Sarssam	-	-	-	-
Mr. Piers Johnson	-	-	-	-
Dr. Raden Sukhyar	-	-	-	-
Mr. Ghassan Zok	-	-	-	-
Mr. Timothy Hargreaves	-	-	-	-
Mr. Domenic Martino	-	-	-	-
Mr. John Bell	-	-	-	-
Mr. Philip Silva	-	-	-	-

The Directors and the Proposed Directors and their associates will have interests in the following securities in the Company post the Acquisition, the Consolidation and the Share Offers:

Director*	Shares Held		Options Held	
	Directly	Indirectly	Directly	Indirectly
Dr. David Robson**	-	285,560,000	4,000,000	-
Ms. Elizabeth Landles**	-	285,560,000	3,000,000	-
Mr. Mark Sarssam	38,546,470	-	3,000,000	-
Mr. Piers Johnson	-	-	1,250,000	-
Dr. Raden Sukhyar	-	-	1,250,000	-
Mr. Ghassan Zok	-	-	1,250,000	-
Mr. Timothy Hargreaves	-	-	1,250,000	-
Mr. Domenic Martino	-	-	1,250,000	-
Mr. John Bell	-	-	-	-
Mr. Philip Silva	-	-	-	-

*No Directors or Proposed Directors will participate in the Public Offer.

**Dr. David Robson and Ms. Elizabeth Landles are both shareholders of Vazon Associates Limited.

Other Interests of Directors

The Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors pursuant to which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors whilst acting as a Director of the Company (or any subsidiary), to insure the Directors against certain risks to which the Directors are exposed to as a Director of the Company and to grant to the Director a right of access to certain records of the Company for a period of seven years after the Director ceases to be a Director.

The Company intends to enter into a similar Deed of Indemnity, Insurance and Access with the Proposed Directors.

Interests of Experts and Advisors

Hunt & Humphry have acted as Australian solicitors to the Company in providing general advice, and assisting in the Company's due diligence enquiries, in relation to the Offers and this Prospectus. Hunt & Humphry will receive professional fees of approximately $50,000 in respect of services provided in relation to this Prospectus.

William Buck Audit (Vic) Pty Limited has acted as investigating accountant to the Company in relation to this Offer. William Buck Audit (Vic) Pty Limited will receive professional fees of approximately $42,835 (net of Goods and Services Tax) in respect of services provided in relation to the Offer. William Buck Audit (Vic) Pty Limited is currently the Company's auditor.

Gustavson Associates LLC has acted as independent technical specialist to the Company in relation to this Prospectus and will receive fees of approximately $43,000 for these services.

12.5.13 Expenses of the Offers

It is estimated that the expenses of the Offers will be $990,000 for Minimum Subscription with the ability to offer up to $1,110,000 in the case of fulfilling the Maximum Subscription. These costs are estimated as follows:
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	Minimum Subscription	Maximum Subscription
Independent Technical Expert’s Report	$25,000	$25,000
Investigating Accountants’ Report	$40,000	$40,000
Independent Geologists’ Report (USD 30,000)	$45,000	$45,000
Legal services	$90,000	$90,000
Company secretarial, accounting and prospectus preparation	$60,000	$60,000
Printing, ASX, ASIC, registry services	$160,000	$160,000
Capital raising fee (@ 4%) [1]	$560,000	$680,000
Total estimated costs	$990,000	$1,100,000

[1] The Public Offer is not underwritten. Cedrus Investments Limited is entitled to a fee of 4% of the dollar amount of shares issued to investors as a direct result of their services (provided Minimum Subscription is met). The above table reflects the maximum amount payable to Cedrus Investments Limited, should they procure the entire Public Offering (refer section 12.3.5).

12.5.14 Consents and Disclaimers of Responsibilities

The following have given their written consents, and have not withdrawn those consents before the lodgement of this Prospectus with ASIC, in the following terms:

- Hunt & Humphry has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as solicitors for the Company in the form and context in which it is so named;

- Mr. Kriechbaum has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn his written consent to be named in this Prospectus as a technical specialist for SPG in the form and context in which he is so named and for the inclusion in this Prospectus of the information in section 10.1.7;

- Gustavson Associates LLC has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as an independent technical specialist for the Company in the form and context in which it is so named and for the inclusion in this Prospectus of its Independent Geologist's Report;

- William Buck Pty Limited has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as auditors for the Company in the form and context in which it is so named; and

- William Buck Pty Limited has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as investigating accountant for the Company in the form and context in which it is so named and for the inclusion in this Prospectus of its Investigating Accountant's Report; and

No entity or person referred to in this Section above authorised or caused the issue of this Prospectus nor makes any express or implied warranty in relation to the Company, this Prospectus or the Offer and further, no entity or person referred to in this Section above has made any statement that is included in the Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. To the maximum extent permitted by law, each of the entities and persons referred to above expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except the reference to its name and any statement or report included in this Prospectus with the consent of that party as specified above.

There are a number of persons or entities referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

12.5.15 Constitution Available for Inspection

The Constitution of the Company is available for inspection during normal business hours free of charge at the Registered Office of the Company, until the Offer Closing Date.

13. Applications

13.1 If You Wish to Apply under the Offers

If you wish to apply for Shares under the Public Offer, complete the accompanying Public Offer Application Form in accordance with the instructions set out on the form.

Please then send your completed Public Offer Application Form to the Company’s Registry by no later than 5:00pm (AEST) on the Closing Date.

You must apply for a minimum parcel of 20,000 Shares representing a minimum investment of $2,000.

Applications for less than the minimum application of 20,000 Shares (equivalent to $2,000) will not be accepted.

The Directors do not represent that any Application to participate in the Public Offer will be successful. In relation to the Public Offer, the Directors reserve the right to issue securities to Applicants under the Public Offer at their absolute discretion. Directors may allot to an Applicant a lesser number of Shares than the number for which the Applicant applies, or to reject an Application under the Public Offer, or to not proceed with the placing of the Public Offer pursuant to this Prospectus. If the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

13.2 Payment for the Shares

The Offer Price of $0.10 per New Share under the Offer is payable in full with your Application. No brokerage or stamp duty is payable on the issue of New Shares.

14. Questions and Enquiries

If you have any questions concerning the Offers, your existing holding of Shares, or any part of this Prospectus, please contact MUI Corporation Limited's Company Secretary.

Enquiries in relation to the Offer should be directed to MUI Corporation Limited's Company Secretary, Ms. Louisa Martino:

Address	Telephone
Level 5 56 Pitt Street Sydney New South Wales 2000	Tel: +61 (02) 8823 3179 Fax: +61 (02) 8823 3179 Email: Louisa.youens@mui.net.au

15. Directors' Authorisation

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

Each Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of MUI Corporation Limited by:

…………………………………………….
John Bell
Non Executive Director

For and on behalf of
MUI Corporation Limited

16. Definitions

Where the following terms are used in this Prospectus they have the following meanings:

ABN means Australian Business Number.

Acquisition means the acquisition by MUI Corporation of all of the issued capital in SPG.

Acquisition Shares means 798,647,010 ordinary shares (post Consolidation) in MUI Corporation**.**

AEST means Australian Eastern Standard Time.

AIPN means the Association of International Petroleum Negotiators.

API means American Petroleum Institute.

Applicant means a person who submits a valid Application Form pursuant to this Prospectus.

Application means an application by way of a completed Application Form to subscribe for New Shares under this Prospectus.

Application Monies means monies received from Applicants in respect of their Application.

Application Form means the Share Offer Application Form, Vendor Application Form and Option Offer Application Form enclosed with this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited ABN 008 504 532.

ASTC Settlement Rules means the official settlement rules of ASTC.

ASX means ASX Limited ABN 008 624 691.

ASX Listing Rules means the official listing rules of ASX.

Australian Financial Services Licence has the meaning ascribed to that term in section 9 of the Corporations Act.

Board means the board of Directors of the Company.

Business Day means a day on which banks are open for business in the applicable jurisdiction.

Chairman means the chairman of the Board from time to time.

CHESS means the Clearing House Electronic Subregistry System.

Closing Date means 24 February 2016 or such other date and time as may be determined by the Directors.

Company means MUI Corporation Limited ABN 54 072 350 817.

Company Secretary means the company secretary of the Company.

Completion means completion of the Share Exchange Agreement in accordance with its terms and conditions.

Constitution means the constitution of the Company.

Consolidation means the 50:1 consolidation of the capital of the Company the subject of a resolution at the General Meeting.

Consolidation Date means 18 February 2016.

Conversion Shares means shares offered to the Noteholder in satisfaction of the terms of the Convertible Note.

Convertible Note means the Convertible Note held by Roadhound Electronics Pty Ltd in MUI Corporation Limited.

Conversion Offer means an offer of up to 13,000,000 Shares to the Noteholder.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company (and where context requires includes the Proposed Directors).

EIA means the United States Energy Information Administration.

Enlarged Company means MUI Corporation Limited assuming completion of the Acquisition whereby SPG will become a wholly owned subsidiary.

Existing Shares or **Existing Pre Consolidation Shares** means Shares already allotted and issued as at the date of the Prospectus.

Expiry Date means the date 12 months from when the Company satisfies the requirements of the ASX Listing Rules in relation to the re-listing of its securities in relation to the Acquisition.

fSU or FSU means the states of the former Soviet Union (Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan).

fSU Oil & Gas Projects means the oil and gas projects in Tajikistan and Georgia.

General Meeting means the general meeting of the Company scheduled to be held on 18 February 2016.

GOG means Georgia Oil & Gas Limited.

Independent Geologist's Report means the report of Gustavson Associates LLC dated 3 December 2015 and contained in Section 11 to this Prospectus.

JORC Code means the 2004 Australian Code for Reporting of Exploration Results, Mineral Resources and Oil and Gas Reserves.

New Shares means the proposed issue of up to 170,000,000 Shares at $0.10 offered under the Public Offer and generally in accordance with the provisions of this Prospectus.

Notice of Meeting means the notice convening the General Meeting.

Offers means the Public Offer, Vendor Offer, Option Offer and Conversion Offer under this Prospectus as the context requires.

Offer Price means $0.10 in respect of the subscription for each Share pursuant to the Public Offer under this Prospectus

Official List means the official list of ASX.

Official Quotation means the quotation of securities on the securities market operated by ASX.

MUI Corporation or MUI means MUI Corporation Limited ABN 54 072 350 817.

Noteholder means the holder of the Convertible Note.

Option Offer means an offer made to (among others) employees and consultants of the Company under the terms of the Company's Stock Incentive Plan.

Post Consolidation Shares means the Shares on issue in the Company post the Consolidation.

PSC means Production Sharing Contract.

Proposed Directors means those persons identified at Section 7.4 to this Prospectus as well as Mr. Domenic Martino.

Prospectus means this prospectus as modified or varied by any supplementary document made by the Company and lodged with ASIC.

PRMS means Petroleum Resources Management System developed by the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers and the Society of Exploration Geophysicists, and approved by the Society of Petroleum Engineers.

Public Offer means the offer of New Shares to the public under this Prospectus.

Qualified Petroleum Reserves and Resources Estimator (QPREE) means a professional as defined in the ASX Listing Rules 5.41-5.42

Record Date means the Record Date for Consolidation of capital, intended to be 18 February 2016.

Share Exchange Agreement means the agreement between the Company, and SPG dated 29 January 2016.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Share Placement means the Public Offer.

SPE-PRMS or PRMS means the Society of Petroleum Engineers Petroleum Resource Management System (PRMS), the oil and gas industry's global standard for resource classification and reporting

SPG means Skyland Petroleum Group Limited a company incorporated in the Cayman Islands with company number OG-296850 and was incorporated on 19 February 2015.

Transaction Offers means the Offers excluding the Public Offer.

USA means the United States of America.

USD means United States Dollars, being the lawful currency of the USA.

USGS means the United States Geological Survey.

VALMIN Code means the code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports.

Vendor Offer means an offer of up to 798,647,010 Shares to Vendors in relation to the Acquisition.

Vendor Shares means up to 798,647,010 Shares to be issued to Vendors.

Vendors means the shareholders of SPG as specified in the Notice of Meeting.

$ means Australian dollars unless otherwise specified.

Units of Measurement

Mcm/d	means thousand cubic metres per day.
Mcf/d	means thousand cubic feet per day.
Bopd	means barrels of oil per day.
Bcf	means billion cubic feet.

MMbbl or MMBBL	means million barrels.
BOE	means barrels of oil equivalent.
BCM	means billion cubic metres.
MMboe	means million barrels of oil equivalent.
API Gravity	means a measure of the relative density of a petroleum liquid relative to water.
m^3	means cubic metres.
psi	means pounds per square inch.
M	means metres.
km	means kilometres.

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