



1 June 2016

The Manager
Company Announcement Office
ASX Limited

BPH ENERGY LTD

Cleansing Statement – Security Purchase Plan

BPH Energy Ltd (**Company**) announced on 1 June 2016 that a security purchase plan would be offered to eligible shareholders (**SPP**). The SPP offer will open on 2 June 2016.

The SPP will be offered in accordance with ASIC Class Order 09/425 (**Class Order**). It is a condition of the Class Order that the Company gives the Australian Securities Exchange this notice within the 24 hour period before offers under the SPP are made.

The Company gives notice that:

- (a) the Company will make offers to eligible shareholders to subscribe for up to \$15,000 worth of ordinary shares under the SPP. The issue of shares under the SPP will be without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Act**);
- (b) this notice is being given in accordance with the Class Order;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
- (d) as at the date of this notice there is no information that is excluded information (in accordance with the requirements of subsections 708A(7) and (8) of the Act as if the notice were a notice under paragraph 708A(5)(e) of the Act) which is required to be disclosed by the Company.

A copy of the SPP documents that are to be sent to shareholders of the Company within 24 hours is attached.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'D Ambrosini', is written over a light blue circular stamp.

Deborah Ambrosini
Company Secretary



2nd June 2016

Dear Shareholder

Invitation to participate in Share Purchase Plan

BPH Energy Ltd Share Purchase Plan

The Directors of BPH Energy Ltd (**Company**) are pleased to offer all Australian and New Zealand shareholders on the register as at 5:00pm on 31 May 2016 (**Record Date**) the opportunity to invest in additional shares in the Company through a Share Purchase Plan ("**SPP**").

Under the SPP, eligible shareholders can purchase shares at \$0.00533 per share (being approximately a **20%** discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to and including the Record Date). The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued under the SPP.

Use of Proceeds

Cortical Dynamics Ltd

BPH will assist its investee company, Cortical Dynamics in achieving the commercialization and distribution of its Brain Anesthesia Monitor. On the 22nd September 2015 Cortical announced that it had received formal notification from the Therapeutic Goods Administration ("TGA") that a decision had been made to issue a conformity assessment certificate to Cortical under section 41EC of the Therapeutic Goods Act 1989. Further to this in February 2016 formal notification was received from the TGA that a decision has been made to issue MRA EC certificates ("CE Mark") to Cortical under the Mutual Recognition Agreement (MRA) with the European Union therefore allowing the CE mark to be applied to the BAR monitor.

Having achieved TGA certification and the CE Mark, Cortical is now able to market the BAR monitor within Australia and Europe.

Cortical is now in discussions with both hospitals and medical product distribution companies in Europe and Australia and is looking to commence sales in the near term.

Molecular Discovery Systems Ltd

BPH investee Molecular Discovery Systems Ltd ("MDS") is working with the Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research to validate HLS5 as a novel tumour suppressor gene, particularly for liver cancer.

The researchers at the Perkins Institute originally identified HLS5 (TRIM35) as a tumour suppressor associated with leukemia. However, in a separate study conducted in China, low levels of HLS5 (TRIM35) was found to correlate with human liver cancer development, and that reduced HLS5 (TRIM35) expression could potentially be used as prognostic marker for the disease. In a significant further phase of this research on 3rd May BPH announced the Perkins Institute researchers have developed a pre-clinical model of liver cancer and have demonstrated, in this model that removing the expression of HLS5 (TRIM35) can accelerate the development of liver disease.

Liver cancer ranks as the second leading cause of cancer-related deaths in developing countries. An estimated 782,500 new cases of liver cancer and 745,500 deaths occurred worldwide in 2012, of which China alone accounted for almost 50% of cases. While survival rates for many cancers have improved over the past two decades, there has been no major improvement in liver cancer prognosis.

Advent Energy Ltd

BPH will also assist its investee company, Advent Energy Ltd, in the preparatory work to perform a seismic survey in the offshore Sydney Basin in PEP11. This will include procurement of specialist seismic service providers to assist in the new data acquisition planned for PEP11. The Australian Petroleum Production and Exploration Association (APPEA) has succinctly described the forecast shortfall in the east coast gas market in a public statement released 10th March

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2016. "The latest Gas Statement of Opportunity (GSOO) warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019."

The seismic survey is planned to focus on a revised drill target on a site at the Baleen prospect identified in an independent report released by the Company to the ASX on the 23rd September 2015. The target is a 6000 acre (24.3km²) amplitude anomaly. That report correlated the revised Baleen drill target to equivalent depth/age/commercial gas condensate fields in the Bowen Basin.

Advent has also announced its intention to commercialise its proven gas resource in the Bonaparte Basin and has just announced the signing of a letter of intent with Northern Minerals Limited and funding will also be used to advance this project. The Advent Bonaparte areas include three existing gas wells.

In the onshore Bonaparte Basin, Advent Energy owns 100% of EP386 and RL1. The Bonaparte is a proven gas and oil province and the third most prolific Australian offshore petroleum producing basin.

The company's shale gas project comprises a potentially world class multi-TCF shale gas project which is situated onshore within a known hydrocarbon producing area, the Bonaparte Basin, with developed nearby infrastructure. The prospectivity of the Bonaparte Basin is evident from the oil and gas fields in both the offshore and onshore portions of the basin.

Bonaparte Basin Highlights Include:

- Strong asset portfolio with focus on commencement of production and exploration upside – conventional gas and shale gas focus
- Significant, independently assessed, additional conventional and unconventional gas potential –9.8 Tcf unconventional shale gas prospective resources
- Uniquely positioned gas projects with strategic commercial acreages; Targets contain all the key elements seen in other producing, world class petroleum basins
- Onshore Bonaparte conventional petroleum prospectivity validated by United States Geological Survey basin analysis, indicating that a mean 56 MMbbl oil and 460 Bcf gas undiscovered conventional resource is present in the onshore Bonaparte Basin
- Proven conventional gas resource with planning and negotiations underway for CNG/LNG commercialisation of resources. Upgraded assessment ("Best Estimate") of conventional prospective resources in EP386 of 355.9 Bcf gas. The technical success rate in historical drilling is over 60%.
- Substantial growth in demand in diesel substituted power generation market in the Kimberley region and market growth identified from 11.5 to 50 TJ per day; Ability to commercialise with third party B.O.O. infrastructure provision for gas treatment and liquefaction/compression by multiple parties with international presence and strong balance sheets
- Advent's permit areas have had 15 wells and over 9000km of 2D seismic data completed.
- Advent's projects are close to extensive gas infrastructure and planned LNG facilities with the potential for liquefaction and export and are in the Northern Australia area that is the focus of the Federal Government's Northern Australia Infrastructure Facility (NAIF). The NAIF is an integral part of the Government's strategy for northern Australia. Commencing from 2016-17, it will offer up to \$5 billion in concessional loans to encourage and complement private sector investment in economic infrastructure

Advent has commenced preparations for drilling an exploration well in EP386 in the onshore Bonaparte Basin, in the north of Western Australia. Advent is currently sourcing costs and availability of drilling rigs for an exploration well to be completed by 31st March 2017. The well will be subject to completion of successful fundraising. Drilling rig rates have fallen substantially in recent months and a number of potentially suitable rigs are becoming available.

A portion of funds raised will be used to meet the working capital requirements of the Company and to meet the Company's expenses of the issue (estimated at \$60,000).

Details of the Offer

Each shareholder may apply for a maximum of \$15,000 worth of shares under the SPP. The SPP offer is **capped** to a total of 56,285,178 shares and applications will be accepted on a **first received basis**. Oversubscriptions may be accepted at the Directors' discretion and subject to all legal and regulatory requirements.

Participation in the SPP is optional and the right to participate is not transferable. The directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application.

The SPP closes at 5:00pm (WST) on Monday 5th July 2016.

Full details on the SPP and how to participate are contained in the documents attached. To apply for shares under the SPP please read these documents carefully and follow the instructions on the enclosed personalized application form. You should consider seeking independent financial advice if you have any queries.

Your continuing support as a shareholder of the Company is appreciated.

Yours faithfully



David Breeze
Managing Director

THE OFFER AT A GLANCE

Key Dates*

Date	Details
Tuesday 31 st May 2016	Record Date 5:00pm (WST) The date on which the Company determined shareholders eligible to participate in the SPP, being shareholders registered on that date with an address in Australia or New Zealand.
Wednesday, 1 st June 2016	SPP Announced
Thursday 2 nd June 2016	Opening Date The date the SPP opens.
Monday 5 th July 2016	Closing Date The date on which the SPP closes. Applications and payments or BPAY® must be received by 5:00pm (WST).
Wednesday 8 th July 2016	Issue Date The date shares are issued and any scaleback of the shares to be issued under the SPP is announced.
Thursday 9 th July 2016	Dispatch Date The date on which holding statements are sent to shareholders who subscribed for shares under the SPP.
Monday 13 th July 2016	Share Trading Date The date on which it is expected that shares will commence trading on the ASX.

**The Company has the discretion and reserves the right to alter key dates.*

Offer Details

Item	Detail
Issue Price	\$0.00533 per share, which represents approximately a 20% discount to the average market price of the Company's Shares on the ASX calculated over the 5 trading days prior to and including the Record Date. The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued under the SPP.
Minimum application amount	The minimum application amount is \$500 (93,808 shares)
Maximum application amount	The maximum application amount is \$15,000 (2,814,258 shares).
Permitted application amounts	Each shareholder is entitled to purchase share parcels valued at any one of: \$500 (93,808 shares) \$1,000 (187,617 shares) \$1,500 (281,425 shares) \$2,000 (375,234 shares) \$2,500 (469,043 shares) \$5,000 (938,086 shares) \$7,500 (1,407,129 shares) \$10,000 (1,876,172 shares) \$15,000 (2,814,258 shares)

Questions & Answers

1. What is the Share Purchase Plan?

The Share Purchase Plan (**SPP**) is an opportunity for eligible shareholders to purchase additional ordinary shares in the Company up to a maximum of \$15,000 at a discount to the market price without brokerage and commission costs. The number of shares issued to an applicant will be determined by dividing the total subscription amount by the issue price. If this calculation produces a fractional number, the number of shares issued will be rounded down to the nearest whole Share.

All shares issued to you under the SPP will rank equally with your existing shares and will carry the same voting rights and other entitlements.

2. Who is eligible to participate in the SPP?

Participation in the SPP is open to each person registered as a holder of ordinary shares in the Company on the Record Date, who has a registered address in Australia or New Zealand. Directors of the Company who hold shares are eligible to participate in the SPP.

Custodians or nominees who hold shares on behalf of one or more beneficiaries are also eligible to participate in the SPP in respect of each beneficiary, subject to compliance with ASIC Class Order 09/425.

3. What is the issue price of the SPP shares?

The issue price of each share issued under the SPP is \$0.00533, which represents approximately a 20% discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to and including the Record Date.

The market price of shares in the Company may rise or fall between the date of this offer and the date that shares are issued to you under the SPP. This means that the issue price you pay for the shares may be greater than or less than the market price of the shares at the date of issue of the shares under the SPP.

4. How many Shares can I apply for under the SPP?

Regardless of the shares you currently own, you are entitled to apply for a parcel of shares in the Company valued at the permitted application amounts set out in the Offer details, above. You may only apply for one of these parcels.

If you hold shares in more than one capacity (for example you are both a joint holder and a sole holder), the maximum amount you can invest under the SPP in all capacities is \$15,000.

The number of shares issued to an applicant will be determined by dividing the total subscription amount by the issue price. If this calculation produces a fractional number, the number of shares issued will be rounded down to the nearest whole Share.

By applying to purchase shares under the SPP, you will have agreed to be bound by the terms and conditions of the SPP as set out in this offer document.

The Directors will consider placing additional shares at the same issue price of the SPP to any eligible shareholder who wishes to invest more than \$15,000 to the extent permitted by the Corporations Act and the ASX Listing Rules or to non-qualifying foreign shareholders to the extent permitted by the Corporations Act, the ASX Listing Rules and the laws of their country. These shares would be issued outside the SPP under the Company's available ASX Listing Rule placement capacity. Shareholders are encouraged to contact the Company should they wish to participate in such a placement. Please refer to section 8 below for contact details.

5. How do I apply for Shares under the SPP?

If you wish to participate in the SPP, please follow the instructions set out on the enclosed personalised application form and send this form together with your cheque or money order made payable to "**BPH Energy Ltd**" to:

By post to:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

By hand to:

Advanced Share Registry Limited
150 Stirling Hwy
Nedlands WA 6009

Alternatively, you can make a BPAY® payment as shown on the application form. If you make a BPAY® payment, you do not need to return the application form. By making a BPAY® payment you are giving the Company the certification contained on the application form. Please note that New Zealand shareholders are not able to make a BPAY® payment.

If you wish to participate, you should ensure that your application form and payment is received by the Company no later than 5:00pm (WST) Monday 5th July 2016.

Please allow adequate time for mail deliveries.

You will not be able to withdraw or revoke your application once you have sent us the completed application form (where applicable) and payment. The directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application.

6. How long is the SPP offer open for?

The SPP opens on Thursday 2nd June 2016 and is expected to close on Monday 5th July 2016. The Directors reserve the right to vary the closing date.

If you wish to participate, you should ensure that your application form (where applicable) and payment is received by no later than 5:00pm (WST) on Monday 5th July 2016.

7. Do I have to participate in the SPP?

No. Participation in the SPP is voluntary. You should note that the offer under the SPP is non-renounceable (i.e. you may not transfer your right to acquire SPP shares to anyone else).

If you are an eligible shareholder and do not wish to subscribe for new shares under the SPP, you are not obliged to do anything.

Before you apply for shares we recommend you seek independent financial advice from your professional adviser or stockbroker.

8. Further assistance

If you have any questions in relation to the SPP please contact your professional adviser or stockbroker.

If you require information on how to complete the application form, please contact Ms Deborah Ambrosini, the Company Secretary on +61 8 6467 9505.

BPH Energy Ltd – Share Purchase Plan Terms and Conditions

This document sets out the terms and conditions of the offer under the Share Purchase Plan

Description of the SPP

Pursuant to the Share Purchase Plan (**SPP**) BPH Energy Ltd ACN 089 311 026 (**Company**) is offering its shareholders the opportunity to acquire additional fully paid ordinary shares in the Company up to a maximum value of \$15,000 at a discount to the market price of the Company's shares as traded on the Australian Securities Exchange (**ASX**) without the need to pay brokerage or commission costs and without the need for the Company to issue a Prospectus, upon such terms and conditions as the Board of the Company in its absolute discretion sees fit.

Shareholders' eligibility to participate

Participation in the SPP is open to each person registered as a holder of ordinary shares in the Company as at 5pm (WST) on Tuesday 31st May 2016 (**Record Date**), with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Due to foreign securities laws, it is not practical for shareholders who are resident in other countries to participate under the SPP.

Participation in the SPP is optional and is subject to these terms and conditions. Offers made under the SPP are non-renounceable and the directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application.

Joint shareholders are taken to be a single registered holder for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same holder or joint holders receive more than one offer under the SPP (for example if a holder has more than one holding under separate accounts), that holder or those joint holders may only apply for an aggregate maximum parcel of shares between any joint or individual holdings.

Trustees and nominees are able to apply for one maximum parcel of shares under the SPP for each beneficiary that is expressly noted on the Company's share register, as a trustee or nominee for a named beneficiary. If the Company's share register does not record a named beneficiary in respect of the trustee or nominee holding, or the shares are held by a custodian, the trustee, nominee or custodian must give the Company a certification which complies with Class Order 09/455 if it wishes to apply for shares on behalf of multiple beneficiaries under the SPP. Please contact the Company to obtain a copy of this certification required.

By electing to participate in the SPP, the shareholder shall be deemed to have certified to the Company that in respect of that shareholder, at the time of the application, the total price does not exceed \$15,000 for:

- shares the subject of the application under the SPP;
- any other shares applied for under the SPP or any other shares issued under any similar arrangement in the 12 months before the application under the SPP; and
- any other shares that the shareholder has instructed a custodian to acquire on their behalf under the SPP or that have been issued to a custodian under an arrangement similar to the SPP in the 12 months before the application under the SPP on the instruction of the shareholder and that are held beneficially by the shareholder.

Furthermore, shareholders will be deemed to have confirmed, in relation to all shares applied for by them under the SPP, that they do not make application for any other person in circumstances which might involve any breach of securities law of any jurisdiction other than Australia and New Zealand and have agreed to be bound by the Company's Constitution in respect of all the shares issued to them under the SPP.

Issue Price

The issue price of each share issued under the SPP is \$0.00533, which represents approximately a 20% discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to and including the Record Date.

The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued to you. This means that the issue price that you pay for the shares may be greater than or less than the market price of the shares at the date of issue of the shares under the SPP. Accordingly, you should seek your own financial advice in relation to this offer.

Application and notices

At the discretion of the Company's directors, Eligible Shareholders will be sent a letter of offer, terms and conditions and an application form inviting them to subscribe for shares under the SPP.

Eligible Shareholders may apply to purchase a parcel of shares under the SPP valued at any one of: \$500 (93,808 shares), \$1,000 (187,617 shares), \$1,500 (281,425 shares), \$2,000 (375,234 shares), \$2,500 (469,043 shares), \$5,000 (938,086 shares), \$7,500 (1,407,129 shares), \$10,000 (1,876,172 shares), \$15,000 (2,814,258 shares). The number of shares issued to an applicant will be determined by dividing the total subscription amount by the issue price. If this calculation produces a fractional number, the number of shares issued will be rounded down to the nearest whole share.

If you wish to participate in the SPP, you must complete the attached personalised application form and provide payment in accordance with the instructions set out on the application form. Alternatively, you may pay electronically using BPAY® and quote your reference number that has been provided on the personalised application form, in which case you do not need to return the application form.

Applications will not be accepted after 5:00pm Monday 5th July 2016.

The Company reserves the right to reject any application where it believes there is non-compliance with this rule or any other terms or conditions of the SPP.

Applications and payments may not be withdrawn once the Company has received them. Oversubscriptions or refunds of other application monies in any circumstances will be without interest.

By returning the application form or by making the BPAY® payment you are giving the Company the certifications in the application form.

Oversubscriptions and scale-back

The Company does not intend to issue more than 56,285,178 ordinary shares under the SPP. Oversubscriptions may be accepted at the Directors' discretion and subject to all legal and regulatory requirements.

If applications for more than the maximum number of shares which may be issued under the SPP are received, the Company may, in its absolute discretion, undertake a scaleback to the extent and in the manner it sees fit and a shareholder may be issued a lesser number of Shares than the number applied for. Any scaleback will be announced on the Issue Date. If the Company scales back an application or purported application, the Company will promptly return to the shareholder, the relevant application monies, without interest.

Underwriting

The SPP is not underwritten and no fees are payable to brokers in respect of shares issued under the SPP.

Shares issued under the SPP

Shares issued under the SPP will rank equally in all respects with all other ordinary fully paid shares in the Company from the date of issue.

Shareholder holding statements and/or CHESS notification will be issued in respect of all shares. If you trade any shares before you receive your holding statement, then you do so at your own risk.

After the issue of shares under the SPP, the Company will make application for these shares to be listed for quotation on the official list of the ASX.

Modification and termination of the SPP

The Company may modify or terminate the SPP at any time.

The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer shares than the person applied for under the SPP if the issue of the shares applied for would contravene any applicable law or the ASX Listing Rules.

Taxation and financial implications

Participants may be subject to taxation upon the sale of shares purchased under the SPP. Participants should consult their taxation or investment advisers to clarify the financial and taxation implications for them of applying for SPP shares.

Representations

Returning a completed application form or paying the issue price for SPP shares by BPAY®, will be taken to constitute a representation by the applicant that:

- (a) they are an eligible shareholder, have read and understand these Terms and Conditions and subscribe for SPP shares in accordance with these Terms and Conditions;
- (b) they authorise the Company to correct minor errors in the application form if required, and to complete the application form by inserting any minor missing details;

- (c) they are aware the SPP shares have not been, and will not be, registered under the US Securities Act of 1933 (as amended) or the securities laws of any state or other jurisdiction in the US, or in any other jurisdiction outside Australia or New Zealand, and may not be offered, sold, transferred or otherwise disposed of except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (d) they are eligible under all applicable securities laws to receive an offer under the SPP;
- (e) they are not in the United States, are not US Persons (within the meaning given to that term in Regulation S under the US Securities Act) and are not acting for the account or benefit of US Persons;
- (f) they have not and will not send the SPP or the application form to any person in the United States or that is, or is acting for the account or benefit of, a US Person; and
- (g) if in the future they decide to sell or otherwise transfer their SPP shares, they will only do so in regular way transactions on ASX where neither they nor any person acting on their behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is in the United States or is a US Person.

Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP, whether generally or in relation to any participant or application, and the Company's decision will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The Company's powers under these conditions may be exercised by its directors or any delegate of the directors.

Contact details

If you have any questions regarding the SPP or how to deal with this offer, please contact your professional adviser or stockbroker.

If you require information on how to complete your personalised application form, please contact Ms Deborah Ambrosini, the Company Secretary on +61 8 6467 9505.