



1 June 2016

Dear Shareholder,

BPH Energy Ltd Share Purchase Plan

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

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).

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.

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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 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 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 indicative timetable for the offer is attached for your reference.

The offer document, application form and detailed terms and conditions will be forwarded to eligible shareholders in accordance with the attached timetable (unless varied).

Kind regards



David Breeze
Managing Director

Indicative Timetable

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 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's directors reserve the right to vary the above timetable, subject to compliance with the ASX Listing Rules.