

FUTURE CORPORATION AUSTRALIA LIMITED

ACN 075 419 715

ENTITLEMENT ISSUE PROSPECTUS

For a fully underwritten, non- renounceable entitlements issue of 1,640,918,235 Shares on the basis of one (1) new Share for every two (2) Shares held on the Record Date at an issue price of \$0.002 per Share together with one (1) free Option for every two Shares issued in order to raise approximately \$3,281,836 (**Entitlement Issue**).

The Offer is fully underwritten by Cygnet Capital Pty Ltd. Refer to Section 7.2.2 of this Prospectus for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Announcement of Entitlement Issue	20 January 2011
Lodgement of Prospectus with ASIC	20 January 2011
Notice sent to Shareholders	24 January 2011
Ex Date	25 January 2011
Record Date for determining Shareholder entitlements	1 February 2011
Prospectus sent to Shareholders and Opening Date of Offer	2 February 2011
Closing Date of Offer	23 February 2011
Entity notifies ASX of under subscriptions	25 February 2011
Despatch date/Shares and Options entered into shareholders security holdings	28 February 2011

* These dates are determined based upon the current expectations of the Directors and may be changed without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 20 January 2011 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of this Prospectus is 20 February 2012 (**Expiry Date**). No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with 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 in connection with this Prospectus.

In making representations in this Prospectus regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are

required or whether any other formalities need to be considered and followed.

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.

NEW ZEALAND SHAREHOLDERS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.6, the Company will apply to the ASX for quotation of the Securities offered under this Prospectus. If quotation is granted, the Securities offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Securities the subject of this Prospectus involves a number of specific risks, including (but not limited to):

Risk Area	Risks	Further Details
Risk associated with Lowell Capital	<p>Lowell Capital Limited, a wholly owned subsidiary of the Company, acts as a 'responsible entity' for managed investment schemes.</p> <p>Investors should be aware that Lowell Capital bears certain regulatory risks associated with its role as a responsible entity. Any adverse findings against Lowell Capital in this capacity could have an adverse affect on the Company's financial position.</p>	Section 6.2
Contract Risk	The Company is reliant on Pryme Oil and Gas Limited (and its affiliates) complying with its obligations with respect to the Atocha and Catahoula Lake Projects.	Section 6.3
Discovery of an economically recoverable hydrocarbon resource	The discovery of an economically recoverable hydrocarbon resource is dependent on a number of conditions such as efficiency of exploration techniques, access to adequate capital for project development and planning and implementation of effective exploration programs.	Section 6.4
Title Rights and Licence Conditions	The Company's exploration activities are dependent upon the maintenance of appropriate licences and regulatory consents, which may be withdrawn or made subject to limitations.	Section 6.5
Obtaining Future Funding	If the Company is unable to use debt or equity to fund expansion or meet its repayments obligations after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital for that purpose, or other purposes, or that it will be able to obtain additional capital on terms acceptable to the Company or at all.	Section 6.8
Exploration Success	There can be no assurance that the Company's exploration activities, will result in the discovery of an economic hydrocarbon resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.	Section 6.9

Risk Area	Risks	Further Details
Operating Risks	The occurrence of industrial or environmental accidents could result in substantial loss to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or environmental damage, clean-up responsibilities, regulatory investigation and penalties or suspension of operations.	Section 6.10
Sovereign Risks	The impact of actions by governments may affect the Company's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.	Section 6.15
General Economic Conditions	Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company.	Section 6.16

Details of these risks and other risks are set out in Section 6 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 6 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Securities. Accordingly, an investment in the Company should be considered speculative.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Mr Harry Hill (Non-Executive Chairman)
Mr Barnaby Egerton-Warburton (Managing Director)
Mr Winton Willesee (Non-Executive Director)

Company Secretary

Mr Winton Willesee

Registered Office

Level 1
2 Ross Place
South Melbourne
Victoria, 3205

Telephone +61 3 9602 4133
Facsimile +61 3 9670 6643

Website

www.futurecorp.com.au

Share Registry*

Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW 2000

Telephone +61 2 9280 7111
Facsimile +61 2 9287 0303

Underwriter

Cygnit Capital Pty Ltd
Ground Floor
30 Richardson Street
West Perth, WA 6005

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

Auditors*

Hayes Knight Audit Pty Ltd
Level 6
31 Queen Street
Melbourne, VIC 3000

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer of Shares

The Offer is being made as a non-renounceable entitlement issue of one (1) new Share for every two (2) Shares held by Shareholders registered at 5.00pm (WST) on 28 January 2011 at an issue price of \$0.002 per Share together with one (1) free Option for every two Shares issued.

The Offer is fully underwritten by Cygnet Capital Pty Ltd (**Cygnet Capital**).

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to this Offer is 1,640,918,235 and the maximum number of Options to be issued is 820,459,117. The Offer will raise approximately \$3,281,836 before costs. Fractional entitlements will be rounded up to the nearest whole number. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

The Company currently has 434,651,586 Options on issue. The terms and conditions of these Options do not allow for the participation by those Option Holders in new issues of securities. Those Option Holders will, however, be entitled to exercise their Options during the time period set out in the ASX Listing Rules in order to participate in the Offer.

The terms of the free attaching Options are set out at Section 5.2.

3.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
 - (iii) make a payment for your entitlement in full by BPay®; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.002 per Share); or
 - (iii) make a payment for your entitlement in full by BPay®; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Future Corporation Australia Limited – Trust Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5.00pm WST on the Closing Date.

Applications under the Offer may be made by paying the Application Money by BPay®.

Eligible Shareholders using BPay® should use the reference number shown on the Entitlement and Acceptance Form (which is required to identify their holding).

Eligible Shareholders using BPay® to pay the Application Money do not need to return an Entitlement and Acceptance Form, however, by submitting payment through BPay®, an Eligible Shareholder:

- (a) acknowledges it has read and understood the terms of the Offer and this Prospectus;
- (b) agrees to be bound by the provisions relating to the Offer;
- (c) will be deemed to have applied for new Securities in accordance with the terms of this Prospectus; and
- (d) acknowledges that, subject to the requirements of the Corporations Act, the application is an irrevocable offer which cannot be withdrawn.

Payments must be received by no later than 5.00pm (WST) on the Closing Date (subject to the Offer being closed early or extended).

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.3 Minimum Subscription

The minimum subscription in respect of this Offer is approximately \$3,281,836 (being the full subscription).

No Securities will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

3.4 Underwriting

The Issue is fully underwritten by Cygnet Capital Pty Ltd (**Underwriter**). Refer to Section 7.2.2 for the material terms of the underwriting agreement with the Underwriter.

3.5 Shortfall

If you do not wish to take up any part of your Entitlement, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall.

Under the Shortfall Facility, Shareholders (other than Excluded Shareholders and related parties of the Company, unless approved by the Shareholders), may apply for additional new Securities forming part of the Shortfall Securities, provided that they take up their full Entitlement indicated on the Application. The allocation of these new Securities will be limited to any Shortfall Securities and will be at the discretion of the Directors & Underwriter (although the Directors intend to grant 1 New Option for every 2 New Shares issued under the Shortfall Facility). Accordingly, Shareholders who apply for additional new Securities under the Shortfall Facility may receive fewer than that number for which they applied or none at all. (subject to the Underwriting Agreement).

In that event, any surplus Application Money received from the relevant Shareholders will be returned in full (without interest) as soon as practicable after the closing of the Offer.

Shareholders wishing to apply for new Securities in excess of their Entitlement should do so in accordance with the instructions on the Application.

As discussed in Section 3.8, the Offer is not being extended to Excluded Shareholders and Excluded Shareholders are also not entitled to apply for new Securities under the Shortfall Facility.

It is intended that existing Shareholders who apply for Shortfall Shares and Options will be given preferential treatment in any allocation. The balance of the Shortfall will be placed to the Underwriter.

3.6 Australian Securities Exchange Listing

Application for official quotation by ASX of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Allotment of Securities

Securities issued pursuant to the Offer will be allotted in accordance with the timetable in Section 1 and otherwise in accordance with the Listing Rules. Where the number of Securities issued is less than the number applied for, or where no allotment is made under the Shortfall Offer, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.8 Overseas Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Securities pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

3.9 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

3.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

3.12 Risk Factors

Prospective investors in the Company should be aware that subscribing for Securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 6 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Securities. Accordingly, an investment in the Company should be considered speculative.

3.13 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Winton Willesee, on +61 3 9602 4133.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$3,281,836 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Full Subscription (\$)
Existing Assets (Lowell Capital and Catahoula Lake)	1,350,000
Existing Assets (San Jacinto)	733,333
Review of New Projects	250,000
Costs of the Offer	268,394
Working Capital	680,109
Total	3,281,836

Notes:

1. Please refer to Section 7.6 of this Prospectus for further details of the expenses of the Offer.

4.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$3,013,442 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 3,281,836,469, to approximately 4,922,754,704 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 434,651,586 Options prior to the date of this Prospectus to approximately 1,255,110,703 Options following completion of the Offer.

4.3 Pro Forma Consolidated Balance Sheet

The unaudited Balance Sheet as at 30 November 2010 and the unaudited Pro Forma Balance Sheet as at 30 November 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company (but excludes any impact for the impairment testing of the Company's assets which will be undertaken as part of preparation of the December 2010 half year financial report) and reflect the changes to its financial position. They have been prepared on the assumption that all Shares and Options pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-

forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Unaudited Pro-forma Balance Sheet as at 30 November 2010

Current Assets	\$\$	\$\$
Cash and cash equivalents	1,007,874	4,021,316
Trade and other receivables	79,793	79,793
Other financial assets	53,096	53,096
Total Current Assets	<u>1,140,763</u>	<u>4,154,205</u>
	-	
	-	
Non-Current Assets	-	
Plant and equipment	1,086	1,086
Petroleum exploration and production assets	3,632,336	3,632,336
Other Investment	333,685	333,685
Intangible assets	248,810	248,810
Total Non-Current Assets	<u>4,215,917</u>	<u>4,215,917</u>
	-	
Total Assets	<u>5,356,680</u>	<u>8,370,122</u>
	-	
Current Liabilities	-	
Trade and other payables	58,637	58,637
Borrowings	396,652	396,652
Total Current Liabilities	<u>455,289</u>	<u>455,289</u>
	-	
Total Liabilities	<u>455,289</u>	<u>455,289</u>
	-	
Net Assets	<u>4,901,391</u>	<u>7,914,833</u>
	-	
Equity	-	
	-	
Issued Capital	74,556,896	77,570,338
Reserves	578,800	578,800
Accumulated losses	(70,234,305)	(70,234,305)
	-	
Total Equity	<u>4,901,391</u>	<u>7,914,833</u>

4.4 Effect on Capital Structure After Completion of Offer

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

	Number
Shares on issue at date of Prospectus	3,281,836,469
Shares offered pursuant to the Offer	1,640,918,235
Total Shares on issue after completion of the Offer	4,922,754,704

Options

	Number
Options currently on issue:	
Unlisted options exercisable at \$0.01 on or before 21 December 2011	21,151,586
Unlisted options exercisable at \$0.0025 on or before 31 December 2011	5,000,000
Unlisted options exercisable at \$0.025 on or before 30 June 2011	10,000,000
Unlisted options exercisable at \$0.01 on or before 31 December 2013	265,000,000
Unlisted options exercisable at \$0.01 on or before 31 December 2012	65,500,000
Unlisted options exercisable at \$0.015 on or before 31 December 2013	68,000,000
Options offered pursuant to the Offer:	
options exercisable at \$0.005 on or before 31 December 2015	820,459,117
Total Options on issue after completion of the Offer	1,255,110,703

4.5 Future Opportunities

The Company is also investigating possible transactions involving Lowell Capital Limited, a 100% owned subsidiary of the Company, including bringing in other third party investors. Updates will be provided to the market if a transaction eventuates.

5. RIGHTS ATTACHING TO THE SECURITIES

5.1 Rights attaching to the Shares

The rights attaching to Shares in the Company are set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes being equivalent to the proportion which the amount paid is of the total amounts paid and payable in respect of those shares.

(c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares irrespective of the amount paid up, or credited as paid up, on the shares, and otherwise in accordance with the Corporations Act.

The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders and that surplus will be divided among the shareholders in proportion to the number of Shares they hold (irrespective of the amounts paid upon those Shares). The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Changes to Capital Structure**

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- (i) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (ii) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(g) **Variation of Rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.2 **Rights attaching to the Options**

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option Holder the right to subscribe for one Share. To obtain the right given by each Option, the Option Holder must exercise the Options in accordance with the terms and conditions of the Options.

- (b) The Options will expire at 5.00 pm (WST) on 31 December 2015 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) The amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).
 - (d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. Where less than 1,000 Options are held, all Options must be exercised together.
 - (e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Options are transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will apply for quotation of the Options on ASX.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (m) Other than pursuant to term (n), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
 - (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of

securities over which an Option is exercisable may be increased by the number of securities which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

6. RISK FACTORS

6.1 Introduction

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Risk associated with Lowell Capital

The Company owns 100% of Lowell Capital Limited (**Lowell Capital**), an Australian financial services company providing specialist funds management products for both the wholesale and retail markets. Lowell Capital is a 'responsible entity' and may act as manager for managed investment schemes. Currently Lowell Capital is the responsible entity for one specialist fund, The Lowell Resources Fund.

Investors should be aware that Lowell Capital bears certain regulatory risks associated with its role as a responsible entity. Any adverse findings against Lowell Capital in this capacity could have an adverse affect on the Company's financial position.

6.3 Contract Risk

The Company holds interests in the Lake Catahoula Project (25% indirect interest) held pursuant to an investment agreement with Pryme Oil & Gas Limited (**PYM**) and Atocha Project (50% interest) held pursuant to a farm out agreement with PYM. The Company is reliant on PYM (and its affiliates) complying with the terms and conditions of these agreements and the conditions attaching to the licences (as applicable). Should PYM (and its affiliates) fail to comply with the terms of these agreements, the Company's interest in the projects may be adversely affected.

6.4 Discovery of an Economically Recoverable Hydrocarbon Resource

The discovery of an economically recoverable hydrocarbon resource can depend on a number of factors including:

- (a) the efficiency of the exploration techniques selected;
- (b) planning and implementation of effective exploration programs having regard to actual geological, geophysical and geochemical conditions;
- (c) access to adequate capital for project development;
- (d) securing and maintaining title to licences;
- (e) obtaining all consents and approvals necessary for the conduct of exploration, drilling and processing; and

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

6.5 Title Rights and Licence Conditions

The Company's exploration activities are dependent upon the maintenance of appropriate licenses and regulatory consents with respect to the Lake Catahoula and Atocha Projects, which may be withdrawn or made subject to limitations. Although the Company believes that the licenses or consents that are held upon the Company projects will be renewed, if required, when they expire, there can be no assurance that they will be renewed or that the terms of any such renewal are satisfactory.

6.6 Drilling

There is no assurance from drilling that oil or gas will be discovered or, even if it is, that commercial quantities of oil or gas can be recovered from these wells. No assurances can be given that if resources or reserves are developed the Company will be able to commercialise such resources or reserves as intended.

6.7 Access

In order to carry out its operations, the Company may require approval from governmental and non-governmental bodies to obtain access to land in which it has an interest.

6.8 Obtaining Future Funding

The Company's ongoing activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion or meet its repayments obligations after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital for that purpose, or other purposes, or that it will be able to obtain additional capital on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's overall business strategy and could have a material adverse effect on the Company's proposed activities and asset position. The Company continues to be in discussions with a number of parties regarding future funding arrangements and alternatives.

6.9 Exploration Success

Shareholders and potential investors should understand that hydrocarbon exploration and development is a high-risk undertaking.

There can be no assurance that the Company's exploration activities, will result in the discovery of an economic hydrocarbon resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

6.10 Operating Risks

Operating risks include mechanical failure of operating plant and equipment, fire, explosion, blow outs and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharge of toxic gases. The occurrence of industrial or environmental accidents could result in substantial loss to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or 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. Other operational risks include industrial disputes, other geological and geophysical investigations and other unanticipated operational and technical difficulties.

6.11 Environmental Approvals and Claims

Exploration and development will, in general, be subject to approval and regulation by government authorities and will be required to meet planning and environmental laws and guidelines. Further, there are certain risks inherent to oil and gas exploration activities such as accidental spills, leakages or other unforeseen circumstances that may subject the Company to extensive liability.

6.12 Commercialisation

Even if the Company recovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.

6.13 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's operations.

6.14 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to oil and gas 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. Such factors include supply and demand fluctuations for oil and gas, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, prices of commodities in the United States of America (US) are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken to account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.15 Sovereign Risk

The impact of actions taken by governments may affect the Company's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

6.16 General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors, which may contribute to that general economic climate, include movements in interest rates and currency exchange rates and the overall state of the equity/debt capital markets that the Company may rely on to fund current and future activity.

6.17 ASX Share Investment Risk

There are various risks associated with investing in any form of business and with investing in the stock market generally. The value of the Shares will depend upon general stock market and economic conditions as well as the specific performance of the Company. There is no guarantee of profitability, dividends, return of capital, or the price at which the Shares will trade on ASX in the future.

6.18 Market Fluctuations

The market value of tradeable securities is subject to market fluctuations. General economic conditions and stock market fluctuations may also impact the ability to procure the requisite project funding.

6.19 Reliance on Key Personnel

The Company's prospects depend in part on the ability to attract senior management to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional high qualified management and continue to implement and improve operational, financial and management information systems. In the event that the Company is unsuccessful in achieving these goals, this may have an adverse effect of the Company and its financial performance.

6.20 Managing Growth

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business, its financial condition and results of operations could be materially adversely affected.

6.21 Tax

Any change to the current rate of company income tax in the jurisdictions where the Company operates will impact on financial performance and cash flows, the ability to pay dividends and the price of securities which could impact investor returns. Any changes to the current rates of income tax applying to individuals will similarly impact on investor returns. In addition, any change in tax arrangements between Australia and other jurisdictions could have an adverse impact on any future net profit after tax and net operating cash flows.

6.22 Investment Speculative

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 Company and the value of the securities offered under this Prospectus.

Accordingly, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Shareholders should consider that any investment pursuant to this Prospectus is speculative and should consult their professional advisers before deciding whether to apply for Shares.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2010, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus;

- (ii) any half-year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2010 lodged with ASIC before the issue of this Prospectus; and
- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2010 audited financial statements:

Date	Description of Announcement
17/01/2011	Acquires interest in San Jacinto 3D Project Texas
06/01/2011	Notice of General Meeting/Proxy Form
22/12/2010	Security Trading Policy
16/12/2010	Appendix 3B and Notice under section 708
06/12/2010	Placement and Rights Issue
23/11/2010	Constitution
23/11/2010	Results of Meeting
09/11/2010	Market Update
19/10/2010	Appendix 4C – quarterly
19/10/2010	Notice of Annual General Meeting/Proxy Form
05/10/2010	Catahoula Lake Project Update
31/08/2010	Appendix 4E and Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

7.2.1 Corporate Mandate

On 2 December 2010, the Company entered into a capital raising mandate with Cygnet Capital Pty Ltd (**Cygnnet Capital**) in relation to the proposed Offer. Cygnet Capital will charge the Company a 5% capital raising fee together with a 1.5% management fee (being \$213,319 plus GST) and will be issued 100,000,000 options exercisable at \$0.005 on or before 31 December 2015.

7.2.2 Underwriting Agreement

By an agreement between Cygnet Capital (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer, being a total of 1,640,918,235 Shares on the basis of one (1) new Share for every two (2) Shares at an issue price of \$0.002 per Share together with a total of 820,459,117 free attaching Options, on the basis of one (1) free attaching Option for every two Shares issued (**Underwritten Securities**).

The Underwriter undertakes that neither itself, nor any of its sub-underwriters or their nominees will hold over 20% of the issued share capital of the Company pursuant to the placement of the shortfall shares.

- (a) Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter the following:
 - (i) a commission of 5% plus GST of the total value of the Underwritten Securities;
 - (ii) issue to the Underwriter or its nominees 100,000,000 Options; and
 - (iii) pay to the Underwriter a management fee equal to 1.5% plus GST of the amount to be raised by the Offer.

- (b) The obligations of the Underwriter to underwrite the Underwritten Securities is subject to the following conditions being fulfilled:
 - (i) the Company obtaining from its legal advisers on or before lodgement:
 - (A) confirmation of the satisfactory completion of the due diligence in a form satisfactory to the Underwriter; and
 - (B) a consent to be named in the Prospectus in the form and context in which it is named;
 - (ii) the Prospectus being lodged with ASIC on or before the lodgement date; and
 - (iii) based on valid applications received by the Company prior to the Closing Date, the Company satisfying the requirements set out in Listing Rule 2.5 Condition 6 in relation to the Options on or before the Closing Date.

- (c) The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:
 - (i) conditional approval for Official Quotation of the Underwritten Securities is withdrawn, qualified or made subject to conditions not acceptable to the Underwriter in its absolute discretion;
 - (ii) the Company is in default in the performance of any of its obligations under this Agreement or any of the warranties given by it ceases to be, or are found not to have been, true and correct in all material respects;

- (iii) the Company issuing a replacement or supplementary prospectus to the Prospectus in accordance with section 719 of the Corporations Act;
- (iv) ASIC issuing an interim or final stop order in relation to the Prospectus and that order is not withdrawn or revoked within five (5) Business Days of first being made;
- (v) a prescribed occurrence listed under section 652C of the Corporations Act occurs in relation to the Company or a related body corporate of the Company (assuming that it was a target company within the meaning of Chapter 6 of the Corporations Act);
- (vi) an event occurs which is in the opinion of the Underwriter falls within section 724 of the Corporations Act;
- (vii) there is a material misstatement or inaccuracy in, or a material omission from, the Prospectus, or any statement in the Prospectus (including, but not limited to, any representation with respect to any future matter) is or becomes false or misleading in a material respect;
- (viii) there is an outbreak of new hostilities (whether or not war has been declared) involving any one or more of the following:
 - (A) Commonwealth of Australia;
 - (B) any member state of the European Union;
 - (C) Japan;
 - (D) United States of America;
 - (E) the People's Republic of China;
 - (F) the Russian Federation or any other former member of the Union of Soviet Socialist Republics;
 - (G) Indonesia;
 - (H) Hong Kong;
 - (I) Singapore;
 - (J) Taiwan;
 - (K) India; or
 - (L) Korea;
- (ix) any expert who has previously consented to the inclusion in the Prospectus of a statement made by him or a statement based on such a statement validly withdraws his consent;
- (x) the Company or any of its related bodies corporate or any of their respective officers contravene, or are charged with a contravention of, any provision of their respective constituent

- documents or any law relating to companies or securities, or the Listing Rules;
- (xi) an officer of the Company is convicted of a criminal offence relating to a financial or corporate matter;
 - (xii) a person who is a director of the Company at the date of this Agreement is removed from office or resigns as a director of the Company, dies or goes bankrupt or is otherwise required to vacate office as a director of the Company;
 - (xiii) any information supplied by or on behalf of the Company to the Underwriter or any of its respective employees, agents or advisers in relation to the Offer is or becomes false or misleading in any material respect;
 - (xiv) any material contract to which the Company or a related body corporate is a party is terminated (whether by breach or otherwise), rescinded, materially altered or amended, or an event occurs which would entitle any party to such a contract to terminate or rescind that contract;
 - (xv) the All Ordinaries Index as published by ASX falls to a level that is 10% or more below the level as at close of trading on the Business Day prior to the date of this Agreement;
 - (xvi) there is a material adverse change in the management, financial position, results of operations or prospects of the Company;
 - (xvii) the Company or any related body corporate reduces its capital or otherwise alters its capital structure without the prior written consent of the Underwriter;
 - (xviii) an Insolvency Event occurs in relation to the Company or any related body corporate;
 - (xix) the Shares finish trading on the ASX under the ASX code of 'FUT' on any five consecutive trading days with a closing price that is less than the issue price of the Underwritten Shares;
 - (xx) there is a delay in any specified date in the Indicative Timetable which is greater than 3 Business Days; or
 - (xxi) the Company is prevented from allotting the Underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.
- (d) The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

7.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Options
Barnaby Egerton-Warburton	18,618,536	115,000,000 ²
Harry Hill	Nil	13,000,000 ³
Winton Willesee	12,500,000	17,500,000 ⁴

Notes:

1. Each of the Directors has indicated that it is their present intention to subscribe for their full Entitlement under the Offer.
2. This consists of 55,000,000 unlisted options exercisable at \$0.01 each on or before 31 December 2012 and 60,000,000 unlisted options exercisable at \$0.015 each on or before 31 December 2013.
3. This consists of 10,000,000 unlisted options exercisable at \$0.025 each on or before 30 June 2011 and 3,000,000 unlisted options exercisable at \$0.01 each on or before 31 December 2012.
4. This consists of 2,000,000 unlisted options exercisable at \$0.01 each on or before 31 December 2013, 7,500,000 unlisted options exercisable at \$0.01 each on or before 31 December 2012 and 8,000,000 unlisted options exercisable at \$0.015 each on or before 31 December 2013.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$243,317 for the year ended 30 June 2009 and \$881,757 for the year ended 30 June 2010 (includes salary, fees and commissions, superannuation and options received as compensation). In

addition to the above, the Directors have been paid fees totalling \$180,900 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.4 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other 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 to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Cygnet Capital has given and has not withdrawn its consent to being named as Underwriter to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. Cygnet Capital has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. For details of the fees payable to Cygnet Capital pursuant to this Offer, refer to Sections 7.2.1 and 7.2.2. For the avoidance of doubt, the fees payable to Cygnet Capital as Underwriter under the Underwriting Agreement and as Corporate Advisor under the Corporate Mandate are one and the same (and not repeated).

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. Steinepreis Paganin will be paid approximately \$12,500 for services in relation to this Prospectus.

7.5 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.6 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,068
ASX fees	9,216
Underwriting fees	213,319
Legal expenses	12,500
Printing and other expenses	31,290
Total	268,394

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.003 on 18 October 2010

Lowest: \$0.001 on 16 December 2010

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.001 on 19 January 2011.

7.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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

8. AUTHORITY OF DIRECTORS

8.1 Directors' Consent

Each of the Directors of Future Corporation Australia Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 20th day of January 2011



Signed for and on behalf of
FUTURE CORPORATION AUSTRALIA LIMITED
by **Winton Willesee**

9. **DEFINITIONS**

Applicant means a person who applies for Shares pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5pm (WST) on 23 February 2011 (unless extended).

Company means Future Corporation Limited (ABN 93 075 419 715).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Cygnnet Capital means Cygnnet Capital Pty Ltd (ACN 103 488 606).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the application form either attached to or accompanying this Prospectus.

Issue means the issue of Shares and free attaching Options offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the fully underwritten, non-renounceable entitlements issue of 1,640,918,235 Shares on the basis of one (1) new Share for every two (2) Shares held at an issue price of \$0.002 per Share together with one (1) free attaching Option for every two Shares issued in order to raise approximately \$3,281,836, further details of which are included in the "Details of the Offer" section of this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 2 February 2011.

Option means an option to acquire a Share with the terms and conditions set out at Section 5.2 of the Prospectus.

Option Holders means those parties holding Options to acquire Shares as at the date of this Prospectus.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5pm (WST) on 1 February 2011.

Related Corporation has the meaning given to that term in the Corporations Act.

Right means a right to subscribe for an Entitlement pursuant to this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means those Shares and Options under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer for the Shortfall pursuant to this Prospectus.

Underwriter means **Cygnit Capital Pty Ltd.**

WST means Western Standard Time (Australia).