

VERUS INVESTMENTS LIMITED

ACN 009 575 035

OFFER DOCUMENT

For a partially underwritten pro rata non-renounceable entitlement issue of up to 1,885,158,563 new Shares (**New Shares**) on the basis of one (1) New Share for every one (1) Share held by Shareholders on the Record Date at an issue price of 0.1 cent per New Share, to raise approximately \$1,885,159 before costs (**Offer**).

The Entitlement Issue is underwritten to the sum of \$1,300,000. Refer to Section 1.9 for further details in relation to the underwriting arrangements in place for the Offer.

IMPORTANT NOTICE

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

The securities offered by this document should be considered speculative.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 5 October 2012 and closes at 5:00pm WST on 7 November 2012.

Valid acceptances must be received before that time. Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

This Offer Document and enclosed personalised Entitlement and Acceptance Form have been prepared by Verus Investments Limited (ACN 009 575 035) (**VIL** or **Company**). This Offer Document is dated 5 October 2012.

No party other than VIL has authorised or caused the issue of this Offer Document, or takes any responsibility for, or makes, any statements, omissions, representations or undertakings in this Offer Document.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

It is not practicable for the Company to comply with the New Shares laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

Privacy Act

If you complete an application for New Shares pursuant to the Offer, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses 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 Offer Document.

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 Shares, the Company may not be able to accept or process your application.

Forward Looking Statements

This Offer Document may contain forward looking statements, including indications of, and guidance on, future earnings and financial position and performance of the Company. Forward looking statements include those containing such words as “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” or similar expressions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, and which may cause actual results to differ materially from those expressed in the statements contained in this Offer Document.

There can be no assurance that actual outcomes will not differ materially from these statements. Specific risks and factors that could cause the Company's performance to differ materially from those described in the forward-looking statements can be found below in the risk factors outlined in Section 3. You should not place undue reliance on these forward-looking statements having regard to the fact that the outcome may not be achieved. These forward-looking statements are based on information available to the Company as of the date of this Offer Document.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to update these forward-looking statements. To the maximum extent permitted by law, the Company and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

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1. DETAILS OF THE OFFER

1.1 The Offer

The Company is making an Offer of up to 1,885,158,563 New Shares pursuant to the Entitlement Issue on the basis of one (1) New Share for every one (1) Share held on the Record Date at an issue price of 0.1 cent per New Share, in order to raise approximately \$1,885,159 before costs.

The Board reserves the right to vary the priority of expenditures dependent on circumstances and other opportunities.

As at the Record Date, the Company will have 1,885,158,563 Shares on issue. Up to 1,885,158,563 New Shares will be offered under this Entitlement Issue.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

Trading in the New Shares will commence on the first business day following the despatch of holding statements.

1.2 Indicative timetable

Announcement of Offer, application for quotation of the New Shares and release of the Offer Document on the ASX	5 October 2012
Notice sent to Option holders	9 October 2012
Notice sent to Shareholders	9 October 2012
Existing Shares quoted on an "ex" basis	10 October 2012
Record Date for determining Shareholder entitlements	16 October 2012
Offer Document despatched to Eligible Shareholders	17 October 2012
Closing Date of Offer (5.00pm (WST))	7 November 2012
New Shares quoted on a deferred settlement basis	8 November 2012
Notify ASX of under-subscriptions	9 November 2012
Despatch date, deferred settlement ends and New Shares entered into Shareholders' security holdings	13 November 2012
New Shares commence trading	14 November 2012

* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

1.3 Use of funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$1,885,159, assuming the Offer is fully subscribed (before the payment of costs associated with the Offer).

The Company intends to apply funds raised from the Offer as follows:

	Raising \$1.3m	Full Subscription \$
ADX Energy Ltd AFE costs overruns on the Chorbane Permit ¹	\$350,000	\$350,000
Fausse Point Well costs ²	\$665,000	\$1,000,000
Review of New Projects	Nil	\$150,000
General Working Capital	\$135,000	\$235,159
Costs of the Entitlement	\$150,000	\$150,000
Total	\$1,300,000	\$1,885,159

¹Costs incurred by ADX Energy Ltd (as operator) exceeding the approved JV Sidi Dhaher well test AFE and general expenditure commitments in relation to the Chorbane Permit, Tunisia.

²Operating expenses and sidetrack costs associated with the Fausse Point prospect.

If the Company raises more than the full underwritten amount (being \$1,300,000) but less than the full subscription (\$1,885,159) under the Offer, the amount raised in excess of the underwritten amount (after expenses) is intended to be applied by way of priority to the following: ADX Energy Ltd costs overruns, Fausse Point Well Costs and general working capital.

The above table is a statement of current intentions as of this Offer Document. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

1.4 Capital Structure

	Shares	Options
Current issued capital	1,885,158,563	68,000,000 ¹
Issued under the Offer	1,885,158,563	Nil
Total	3,770,317,126	68,000,000

Notes

¹This consists of the following:

- a) 500,000 unlisted options exercisable at \$0.04 on or before 9 December 2012;
- b) 60,000,000 unlisted options exercisable at \$0.025 on or before 31 December 2013; and
- c) 7,500,000 unlisted options exercisable at \$0.025 on or before 31 December 2013.

1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying

this Offer Document.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form); although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned to you.

1.6 Directors' interests and participation

Each Director's interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Options	New Share Entitlement
Gregory Lee ¹	2,681,818	20,000,000 ³	2,681,818
Mark Freeman ²	2,439,051	15,000,000 ³	2,439,051
Sam Russotti	Nil	Nil	Nil

Notes:

1. Mr Lee holds all of his securities directly. Mr Lee will also underwrite up to a total of \$200,000 (being 200,000,000 New Shares) under the Offer. However, it is Mr Lee's intention to allocate a proportion of these New Shares to non-associated and unrelated third party investors.
2. Mr Freeman holds all of his securities via the Freeman Family Trust.
3. These Options are exercisable at \$0.025 on or before 31 December 2013.

The Directors intend to take up their Entitlements under the Offer.

1.7 Market Price of New Shares

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

Highest: \$0.005 on 1 June 2012

Lowest: \$0.001 on 25 June 2012

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Offer Document was \$0.001 on 4 October 2012.

1.8 Entitlement not transferable

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your right to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.9 Underwriting and Control

The Offer is partially underwritten up to a total of \$1,300,000 as follows:

- (a) Skytrax Pty Ltd, (a non-related party of the Company), for a total of up to \$1,000,000, being a total of 1,000,000,000 New Shares;

- (b) Mr Greg Lee, a director of the Company, for a total of up to \$200,000, being a total of 200,000,000 New Shares; and
- (c) 708 Capital Pty Ltd, (a non-related party of the Company), for a total of up to \$100,000, being a total of 100,000,000 New Shares (together the **Underwriters**).

Each of the Underwriters has entered into a separate underwriting agreement with the Company and each of the Underwriters is not related to the other.

An underwriting fee of 6% will be payable to each of the Underwriters (based on their full underwriting commitment).

The Underwriters have each given an undertaking to the Company that upon completion of the Offer, neither they (nor any of their affiliates) will in fact hold a relevant interest in 20% or more of the voting shares of the Company.

The Underwriters each have the right to nominate and determine who is to receive the Shortfall Shares subject always to no sub-underwriter being appointed on terms which may result in the sub-underwriter (or any associate of a sub-underwriter) acquiring (or increasing) relevant interests (alone or with its associates) in 20% or more of the voting shares of the Company.

The Underwriters are each entitled to terminate their Underwriting Agreements upon the occurrence of any one or more of the termination events:

- (d) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the New Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (e) **(Restriction on allotment)**: the Company is prevented from allotting the New Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, and statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental agency or authority;
- (f) **(Default)**: material default of breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
- (g) **(Contravention of constitution or Act)**: a contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (h) **(Prescribed Occurrence)**: a prescribed occurrence occurs;
- (i) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (j) **(Judgement against a Relevant Company)**: a judgement in an amount exceeding US\$200,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (k) **(Breach of Material Contracts)**: any of the material contracts to which the Company is a party is terminated or substantially modified;
- (l) **(Movement in the S&P/ASX 200 Energy [XEJ] Index)**: the S&P/ASX 200 Energy [XEJ] Index of ASX is at any time on any 4 consecutive Business Days prior to allotment of the New Shares 85% or less of the level that Index attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement; or
- (m) **(Movement in the WTI Cushing Spot Price of Oil)**: the WTI Cushing Spot Price of Oil is at any time on any 4 consecutive Business Days prior to allotment of the New Shares 85% or less than the spot price attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement.

1.10 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 and will be dealt with in accordance with the underwriting agreements between the Company and the

Underwriters or otherwise at the Board's discretion. Shares issued under the Shortfall will be issued at \$0.001 each and will be issued within 3 months following the Closing Date. Do not apply for additional New Shares under the Shortfall Offer unless directed to do so by the Company.

1.11 Opening and Closing Dates

The Offer opens on the Opening Date, being 17 October 2012. The Company will accept Entitlement and Acceptance Forms until 5:00 pm WST on the Closing Date, being 7 November 2012 or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

Please note that payment made via BPAY® must be received by no later than 3.00pm WST on the Closing Date, or such earlier cut off time that your own financial institution may implement with regard to electronic payments.

1.12 Issue and despatch

The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the timetable set out in Section 1.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell the New Shares before they receive their holding statements will do so at their own risk.

1.13 ASX listing

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

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

1.14 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of the New Shares 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 New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS 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.

1.15 Shareholders outside Australia and New Zealand

The Offer will not be made to Shareholders resident outside Australia and New Zealand.

New Shares to which any Eligible Shareholders who are not resident in Australia or New Zealand would otherwise be entitled will form part of the Shortfall and will be placed at the discretion of the Directors.

This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

1.16 New Zealand Shareholders

The New Shares are not being offered or sold to the public within New Zealand other than to Eligible Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the New Shares Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

In accordance with the New Shares Act (Overseas Companies) Exemption Notice 2002 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares is not eligible to participate in this Offer.

1.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.18 Risk factors

An investment in the New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in quoted securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.19 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company Secretary, Ms Sylvia Moss, on (+61 8) 9389 2000.

2. ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. 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, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (iii) attach your cheque, bank draft or money order for the appropriate application monies (at 0.1 cent, or \$0.001, per New Share); 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 **“Verus Investments Limited”** and crossed **“Not Negotiable”**. Cash payments will not be accepted and receipts for payments will not be provided.

Completed Entitlement and Acceptance Forms can be mailed to the Company’s Registry or delivered in person. The following addresses should be used for mailing and hand delivery of applications:

By Post:

ComputerShare Investor Services P/L
PO Box D 182
PERTH WA 6009

By hand:

ComputerShare Investor Services P/L
L2, Reserve Bank Building
45 St Georges terrace, Perth WA 6000

Applicants are not required to sign the Entitlement and Acceptance Form. Entitlement and Acceptance Forms and Application Monies must be received by the Registry no later than 5.00pm (WST) on the Closing Date.

2.2 Payment by BPAY®

If you are paying for your New Shares by BPAY®, you should refer to your personalised instructions on your Entitlement and Acceptance Form. You **DO NOT** need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form and the representations outlined below in Section 2.3 "Implications of making an Application".

Make sure you use the specific Biller Code and unique Customer Reference Number (**CRN**) on

your personalised Entitlement and Acceptance Form.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by **3.00pm (WST) on the Closing Date**.

2.3 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement (or you are precluded from doing so due to the jurisdiction of your registered address), you are not obliged to do anything.

The number of Shares you hold and the rights attaching to those Shares will remain unchanged and the rights attaching to those Shares will remain unchanged and the New Shares representing your Entitlement will form part of the Shortfall Offer.

2.5 Enquiries concerning your Entitlement

Enquiries concerning the Entitlement and Acceptance Form should be directed to Computershare Investor Services Pty Limited by telephone on 1300 787 272.

3. RISK FACTORS

3.1 General

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Based on the information available, a non-exhaustive list of risk factors which may affect the Company's financial position, prospects and the price of its listed securities include the following.

3.2 Specific Risks relating to the Company

Sovereign Risk

The Company's underlying oil & gas interests are located and carried out in the U.S., being the Fausse Point Project, and Tunisia, being the Chorbane Block Project (Sidi Dhaher Well). As a result, the Company is subject to significant political and other uncertainties in the U.S. and Tunisia, including but not limited to, changes in politics or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's investments are conducted.

Dependence Upon Licences, Other Permits and Joint Venture Partners

The ability of the Company to explore and develop in its target jurisdictions depends on the grant and/or continuation of licences, concessions, leases, permits and regulatory consents which may be refused, withdrawn or made subject to limitations. There can also be no assurance that an application for a new permit, licence or lease, an assignment of a permit, licence or lease or the selection of exploration or exploitation lots will be approved or enacted.

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company must comply with existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on the Company's results of operations, financial conditions and prospects.

There can also be no assurance that parties with whom the Company has entered into commercial arrangements will adhere to the terms of contracts and arrangements. Such being the case, this could cause disruption to the operations of the Company.

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 including repayment obligations under residual debt facilities. 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' holdings in the Company and any debt financing, if available, may involve restrictive covenants, which may 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 seeks to minimise this risk by continuing to undertake discussions with a number of parties regarding future funding arrangements and alternatives.

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.

3.3 General Risks

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.

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.

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.

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 U.S. are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken to account in Australian dollars, 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.

Environmental Risks

The operations and proposed activities of the Company will be subject to U.S. and Tunisian laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

Government Actions

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.

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.

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 New 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 New Shares will trade on ASX in the future.

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.

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.

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.

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.

3.4 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 Offer Document.

Accordingly, the Shares to be issued pursuant to this Offer Document 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 Offer Document is speculative and should consult their professional advisers before deciding whether to apply for Shares.

4. FINANCIAL INFORMATION**4.1 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

GLOSSARY

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application Monies means monies received from Applicants in respect of their applications for New Shares pursuant to the Offer.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Closing Date means the closing date set out in Section 1.2 or such other date as may be determined by the Directors.

Company or **VIL** means Verus Investments Limited (ACN 009 575 035).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and whose registered address is in Australia or New Zealand.

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

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Entitlement Issue means the partially underwritten pro rata non-renounceable entitlement issue of up to 1,885,158,563 New Shares on the basis of one (1) New Share for every one (1) Share held by Shareholders on the Record Date at an issue price of 0.1 cent per New Share, to raise approximately \$1,885,159 before costs.

Offer Document means this Offer Document dated 5 October 2012.

Opening Date means the opening date set out in Section 1.2.

Option means an option to acquire a Share.

Record Date means 5.00pm WST on the record date set out in Section 1.2.

Relevant Company means the Company and each of its subsidiaries (if any).

Section means a section of this Offer Document.

New Shares means Shares to be issued pursuant to the Offer.

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

Shareholder means a holder of Shares.

Shortfall means those New Shares offered under the Entitlement Issue and not applied for by Shareholders under their Entitlement.

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

U.S. means the United States of America.

WST means Australian Western Standard Time.