

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 13 FEBRUARY 2015

CAPITAL RAISINGS

The Directors of Bisan Limited (ASX: BSN) ("the Company") are pleased to announce two capital raising initiatives.

RIGHTS ISSUE: TO RAISE UP TO \$785,515.00

The Company intends to undertake a renounceable rights issue of fully paid ordinary shares to existing shareholders ("the Offer") to raise up to \$785,515 before costs.

The Company reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue of the securities. In that event, application monies will be refunded in full without interest.

Details of the Offer

The proposed terms of the Offer are as follows:

- Two (2) new fully paid ordinary shares ("New Shares") for every three (3) existing shares held at the record date.
- The issue price is 0.5 cents (\$0.005) per New Share payable in full on application.
- For every New Share subscribed, one (1) option exercisable at 1.5 cents (\$0.015) at any time up to 5 PM AEST on 30 June 2018 ("New Option") will be issued to the applicant at no cost.
- The issue is expected to raise \$785,515 before costs.
- New Shares will rank pari passu with the existing fully paid ordinary shares.
- The maximum number of New Shares offered is 157,102,984.
- Entitlements will be renounceable and can be sold.

The timetable of the issue is being finalised and will be submitted to ASX for approval. An Appendix 3B will be lodged in due course.

The rights issue will be made pursuant to a Prospectus lodged with ASIC and ASX which is currently being drafted.

Application for the quotation of the New Shares and New Options will be lodged with ASX on completion of the Offer.

The Company will have 235,654,476 fully paid ordinary shares on issue following the placement described below. If all 157,102,984 New Shares are issued under the Offer then the Company will have 392,757,460 fully paid ordinary shares on issue.

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Eligible and ineligible shareholders

The Rights Issue is being offered only to shareholders with a registered address on the record date in Australia and New Zealand.

The Company has determined that it would be unreasonable to extend the issue to shareholders with a registered address outside Australia or New Zealand having regard to the small number of shareholders with addresses in such other countries and the cost to the Company of complying with applicable legal and regulatory requirements outside Australia or New Zealand.

The Company will seek ASIC approval to appoint Foxfire Capital Pty Ltd (“Foxfire”) as nominee to attempt to sell the entitlements of New Shares which would otherwise be issued to shareholders outside of Australia and New Zealand. Foxfire is the holder of AFSL #390210.

Subject to ASIC approval being granted, if there is a viable market in the entitlements, Foxfire will sell the entitlements. Any sale will be at prices and otherwise in a manner determined by Foxfire in its sole discretion. Neither the Company nor Foxfire will be held liable for a failure to sell the entitlements or to sell the entitlements at any particular price. The proceeds of sale will be distributed to shareholders for whose benefit the entitlements are sold in proportion to their shareholdings.

If there is no viable market for the entitlements, then the entitlements of shareholders with registered addresses outside Australia and New Zealand will lapse.

Foxfire will be paid a fee on normal commercial terms and conditions of \$6,000 (plus GST) for managing the nominee sale procedure.

If ASIC does not approve the appointment of Foxfire, or another suitable nominee, then no provision will be made for the entitlements of ineligible shareholders, those entitlements will lapse and the relevant shares will form part of the shortfall.

Underwriting

One or more Directors of the Company may underwrite the Offer. Any such underwriting agreements will be on normal commercial terms and conditions and full details will be disclosed in the Prospectus.

Shortfall

Eligible shareholders wishing to acquire more shares than their entitlement can seek to purchase rights to subscribe for additional shares. If there is a shortfall under the Offer, the Company will place the shortfall within a period of three months after the close of the Offer.

The Company will appoint Foxfire to place any shortfall from the rights issue to qualifying investors on a best endeavours basis. Foxfire will be paid commission on normal commercial terms and conditions at the rate of 5% (plus GST) of the total funds raised from the placement of any shortfall.

The Company will ensure that no person, entity or shareholder will, through the allocation of the shortfall, acquire a holding of, or (in the case of existing shareholders) increase their holding to, an amount in excess of 19.9% of all the shares on issue following the completion of the Offer. The shortfall will not be placed

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to Foxfire, Directors of the Company, their associates or related parties of the Company.

Alternatives

Eligible shareholders have the following alternatives available in relation to the rights issue:

- Accept their entitlement in full;
- Accept their entitlement in part;
- Purchase additional entitlements to take up shares on the ASX or off-market;
- Sell all or part of their entitlement on the ASX or off-market; or
- Allow their entitlement to lapse.

To the extent that shareholders do not take up their entitlement, their interest in the Company will be diluted.

Full details of the terms and conditions of the Offer will be contained in the Prospectus that will be lodged with ASIC and ASX.

PLACEMENT: RAISING \$310,000.00

Pursuant to shareholder approval obtained at the Annual General Meeting of the Company on 28 November 2014, the Company will place 50,000,000 fully paid ordinary shares at 0.62 cents (\$0.0062) per share to professional, sophisticated and other exempt investors.

In addition, subject to shareholder approval being obtained, for each share subscribed under the placement, one (1) option exercisable at 1.5 cents (\$0.015) at any time up to 5 PM AEST on 30 June 2018 will be issued to the applicant at no cost.

Shareholder approval is required because the Company has insufficient placement capacity available under ASX Listing Rule 7.1 to issue the options. The options cannot be issued using the additional capacity under ASX Listing Rule 7.1A as the options are not yet quoted on the ASX. If shareholder approval is obtained then the options will be issued.

The Company will raise \$310,000 under the placement.

The placement is being managed by Foxfire and Foxfire will be paid commission on normal commercial terms and conditions at the rate of 5% (plus GST) of the funds raised.

The shares were not placed to Foxfire, Directors of the Company, their associates or related parties of the Company.

Shares issued under the placement will rank pari passu with all other fully paid ordinary shares in the Company.

An Appendix 3B will be lodged once the shares are issued.

FOXFIRE

Mr Pat Volpe, a Director and substantial shareholder of the Company, is a shareholder of, and consultant to, Foxfire. Mr Volpe did not participate in the

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decision by the Board of Directors to appoint Foxfire to provide services to the Company as detailed above.

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CAPITAL STRUCTURE

Assuming the rights issue are fully subscribed, and shareholder approval to issue options to the placement participants is obtained, then the Company will have the following capital structure:

Security	Shares	Options
Fully paid ordinary shares	392,757,460	
Unlisted options – exercise price 8 cents (\$0.08) each expiring 31/12/15		25,523,290
Unlisted options – exercise price 5 cents (\$0.05) each expiring 31/12/18		37,130,895
Listed options* – exercise price 1.5 cents (\$0.015) each expiring 30/06/18		207,102,984
TOTALS	392,757,460	269,757,169

* It is expected that these options will be listed if the listing criteria in the ASX Listing Rules are met by there being at least 50 option holders.

Shareholder approval has been given to issue 9,000,000 Performance Rights to the Directors with a vesting date of 30 June 2015. It is expected that the Rights will be issued prior to 28 February 2015. The Rights will vest subject to the relevant Director being a director on the vesting date and the 20 day VWAP of fully paid ordinary shares in the Company prior to the vesting date being at least 4 cents (\$0.04) per share.

NEED FOR FUNDS

The Company requires new capital both to fund its ongoing operating costs and the acquisition of investments. Funds will be directed to new opportunities as well as existing positions in the Company's portfolio, such as P-Fuel Limited.

An announcement regarding a proposed new investment will be made prior to the commencement of trading tomorrow.

Funds raised from the placement and the rights issue will be applied as follows:

Purpose	Amount
Proposed new investment	\$435,000
Working capital, corporate and administrative costs, new investments including follow-on investments in existing investee entities, in particular P-Fuel Limited.	\$660,515
TOTAL	\$1,095,515

Bisan holds a diversified portfolio of listed and unlisted investments including:

- Abilene Oil and Gas Limited (ASX: ABL).
- Black Star Petroleum Limited (ASX: BSP).

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- Jernigan Commodities Pty Ltd (unlisted company).
- Kaboko Mining Limited (ASX: KAB).
- Lemarne Corporation Limited (ASX: LMC).
- P-Fuel Limited (unlisted company).

Pat Volpe
Chairman