



PROTEAN ENERGY LIMITED

ACN 119 267 391

PROSPECTUS

For the Offer of up to 1,000 Shares each at an issue price of \$0.02

THIS PROSPECTUS IS BEING ISSUED FOR THE PURPOSES OF SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE CLEANSING SHARES

THIS OFFER CLOSSES AT 5.00PM AWST ON 29 AUGUST 2017

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

This Prospectus is dated 28 August 2017 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Unit 5, Ground Floor, 1 Centro Avenue Subiaco WA 6008, during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Securities will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Figures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

No person is authorised to give any information or to make any representation in connection with the Offer 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 the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 2.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had 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.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Bevan Tarratt
Yong Yu
David Wheeler

Company Secretary

Matthew Foy

Registered Office

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1 Centro Avenue
Subiaco WA 6008

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ASX Code: POW

Website: www.proteanenergy.com

Share Registry*

Link Market Services Limited
Level 4, Central Park
152 St Georges Terrace
Perth WA 6000

Telephone: +61 1300 554 474

Facsimile: +61 2 9287 0303

Solicitors to the Company

Nova Legal
Level 2, 50 Kings Park Road
WEST PERTH WA 6005

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

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1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus 1,000 Shares each at an issue price of \$0.02 per Share (**Offer**).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 4.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

Prior to the date of this Prospectus, the Company has already issued the following securities:

- (a) 47,893,921 Shares issued on 25 July 2017 upon conversion of Convertible Notes.
- (b) 333,333 Shares issued on 25 July 2017 following the satisfaction of conversion milestones of 333,333 Performance Rights; and
- (c) 6,000,000 Shares issued on 18 August 2017 in lieu of corporate advisory fees.

(together the **Cleansing Shares**).

The Cleansing Shares were issued for a combination of cash and non-cash consideration to either "Sophisticated Investors" or "Professional Investors" or pursuant to "small scale offerings" within the meaning of sections 708(8), 708(11) and 708(1) of the Corporations Act.

The Company is seeking to raise only a nominal amount of \$20.00 under the Offer. Accordingly, the purpose of this Prospectus is not to raise capital. All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 4.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued if securities are offered for sale within 12 months after their issue and the issue of those securities was made without disclosure (for example, under a prospectus) to investors under Chapter 6D of the Corporations Act.

However, section 708A(11) of the Corporations Act provides an exemption from this general requirement, and accordingly, a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and

either:

- (b) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
- (c) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (d) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

This Prospectus has been issued to comply with section 708A(11) to facilitate secondary trading of the Cleansing Shares as they were issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Cleansing Shares to on-sell those Shares within 12 months of their issue. The

Company did not issue the Cleansing Shares with the purpose of the persons to whom they were issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer and to provide information on the Offer, disclosure of which is required by the Corporations Act; and
- (b) ensure that the on-sale of the Cleansing Shares do not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.2 Opening and Closing Dates

The Offer will open at 4:30pm AWST on 28 August 2017 and the Company will accept Application Forms until 5.00pm AWST on the Closing Date, being 29 August 2017, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.3 Minimum subscription

There is no minimum amount sought to be raised by the Offer. If the Offer is fully subscribed, the Offer will raise approximately \$20.00 (before costs of the Offer). The Company will proceed to allot the Shares if a lesser amount is raised and irrespective of the amount raised. The Company intends to allot the Shares progressively as Applications are received and in any event, will allot all Shares as soon as possible after the Closing Date.

There is no provision for oversubscriptions and the Offer is not underwritten.

1.4 Application Forms

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "Protean Energy Limited – Application Funds Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms must be received by the Company prior to 5.00pm (AWST) on the Closing Date. Application Forms should be mailed or delivered to Protean Energy Limited, Unit 5, Ground Floor, 1 Centro Avenue, Subiaco WA 6008.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Issue and dispatch

The issue of Securities will take place as soon as practicable after the Closing Date. Application monies will be held in a separate subscription account until issue as set out in section 1.6 below.

The Directors will determine the holders of all the Securities. The Directors reserve the right to reject any application or to allocate any Applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no issue is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

1.6 Application Monies held on trust

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

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.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Security Transfer Registrars and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares 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 Prospectus or the Shares. 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. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

1.10 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2016 is in the Annual Report which was lodged with ASX on 1 September 2016 and is available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 1 September 2016 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9481 2277.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

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. Please note, if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Dependence on key personnel

The Company is reliant on a number of key personnel employed by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company. While there can be no assurance given as to the continued availability of such key personnel, the Company has put in place employment contracts and equity participation programmes with senior executives to incentivise them.

(b) Protean WEC Technology Brand Establishment and Maintenance

There is a risk that even after the Protean™ WEC Technology has been successfully developed that it is not taken up by customers to the degree the Company anticipates.

The Company believes that establishing and maintaining the Protean™ brand in the nascent wave energy market is critical to attracting and growing a user base and creating technology acceptance. This will depend largely on the Company's ability to provide useful and innovative technology. The actions of external industry participants may affect the brand if users do not have a positive experience using the Protean™ technology. If the Company fails to successfully establish and maintain its brand its business and operating results could be adversely affected.

(c) Development and Commercialisation of Protean™ WEC Technology

There are many risks inherent in the development of technology products like the WEC Technology, particularly as these products are in the early stages of development. The development of the WEC Technology can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

The Company makes no representation that any of its research into or development of the full scale prototype will be successful, that the development milestones will be achieved, or that the WEC Technology will be developed into products that are commercially exploitable. A failure to successfully develop and commercialise the WEC Technology is likely to lead to a loss of opportunity and adversely impact on the Company's operating results and financial position.

(d) VRFB-ESS Brand Establishment and Maintenance

There is a risk that even after successful development of the V-KOR batteries that the energy storage system is not taken up by customers to the degree the Company anticipates.

The Company believes that establishing and maintaining the V-KOR brand in the energy storage market is critical to attracting and growing a user base and creating technology acceptance. This will depend largely on the Company's ability to provide useful and innovative technology. The actions of external industry participants may affect the brand if users do not have a positive experience using the V-KOR batteries. If the Company fails to successfully establish and maintain its brand its business and operating results could be adversely affected.

(e) Development and Commercialisation of V-KOR ESS

There are many risks inherent in the development of technology products like the V-KOR range of batteries, particularly as these products are in the pre-commercial stage of development. The development of the V-KOR ESS can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

The Company makes no representation that any of its feasibility studies will produce positive results, or the development of the VRFB-ESS will be successful, that the development milestones will be achieved, or that the VRFB-ESS will be developed into products that are commercially exploitable. A failure to successfully acquire, develop and commercialise the VRFB-ESS is likely to lead to a loss of opportunity and adversely impact on the Company's operating results and financial position.

(f) Technology Rights and Protection of Rights

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of technology research and development. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. The Company's success depends, in part, on its or KORID Energy's ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. The patent position of technology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, therefore neither the breadth of claims allowed in technology patents nor their enforceability can be predicted. There can be no assurance that any patents that the Company or KORID Energy may own or control or licence now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

Although the Company is not aware of any third party interest in relation to the rights to the Company's or KORID Energy's technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company. The Company is aware of an instance in the past of a third party in the US using the trademark "Protean™" in relation to a competing wave energy technology. The Company has considered the circumstances and at the date of this Prospectus does not consider the matter to be material nor is it expected to cause any negative commercial consequences and therefore the Company does not intend to act on the matter.

Although the Company will implement all reasonable endeavours to protect its technologies and the V-KOR ESS, there can be no assurance that these measures have been, or will be sufficient.

Furthermore, Protean Energy Australia Pty Ltd (**PEA**) and KORID Energy have numerous patents pending (i.e. an application for a patent has been made but the patent has not yet been granted). There is no guarantee that all applications for patents will be successful. The Board does not intend to pursue patent protection for the Protean™ WEC Technology in countries where it does not believe a commercial market for the technology will result.

(g) Research and development

The Company can make no representation that any of its research into or development of the Protean™ WEC Technology or VRFB-ESS will be successful or that the Protean™ WEC Technology or VRFB-ESS will be developed into products that are commercially exploitable.

There are many risks inherent in the development of renewable energy technologies, particularly where the products are in the early stages of development. The

commencement of commercial production can be delayed, projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(h) Technology risks

There is a risk of technology failure in the technologies used in a marine power project. If this occurs, it could have a material adverse effect on that project and in turn on the Company. There is also a risk of technology redundancy due to the long-term nature of the Company's projects. This risk is mitigated by the use of technology and materials from leading international suppliers and manufacturers; this ensures that regular maintenance is undertaken and contracting operations and maintenance is undertaken by experienced industry practitioners.

(i) Other renewable energy technologies

Other renewable energy technologies may be developed or emerge which supersede the Protean™ WEC Technology or VRFB-ESS or make it obsolete, which may cause loss to the Company.

(j) Marine Conditions Variability

Although wave energy and marine energy projects may be more predictable than other renewable energy projects like wind or solar energy, fluctuations in the level of waves and marine conditions occur on a short term basis (examples include daily, monthly and seasonal variations). These fluctuations will affect the amount of energy produced by the WEC Technology and the revenue generated by it, and if the amount of energy produced is reduced, this is likely to be to the detriment of the Company.

Furthermore the wave energy systems will be deployed in harsh ocean conditions. Whilst rigorous design standards are adopted by the company, the systems could be exposed to extreme events which may interrupt the production of energy and cause damage to the systems which will need to be repaired before the resumption of the sale of energy. These events could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to the Company's reputation or increased insurance costs.

(k) Public attitude

Public attitude towards the visual and environmental impact of renewable energy projects, including marine energy technology, affects the renewable energy targets set by governments and other interested parties which may in turn affect the location and number of WEC units in any given area. The attitude of communities to these and other aspects of renewable energy projects, including marine energy technology, may change over time. These changes, and any consequential changes to government policy and the regulatory environment, may be positive or negative for the Company.

(l) Product Liability and Uninsured Risks

Through its intended business, the Company may be exposed to potential product liability risks which are inherent in the research and development, manufacturing, marketing and use of its products or products developed with future co-development alliance partners. It will be necessary to secure insurance to help manage such risks. The Company may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

Although the Company will work to rigorous standards, there is still the potential for the WEC Technology to contain defects which may result in system failures. These defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to the Company's reputation or increased insurance costs.

If the Company fails to meet its clients' expectations, the Company's reputation could suffer and it could be liable for damages.

Further, the Company is exposed to the risk of catastrophic loss to necessary equipment, computer equipment or other facilities which would have a serious impact on the Company's operations. The Company gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

(m) Renewable Energy Regulatory Risks

Marine energy projects may be dependent on mandatory or voluntary renewable energy or emissions trading schemes and other government initiatives for economic viability. Typically, these government initiatives or programs are available for a specified period of time, at the end of which there is no guarantee that the relevant initiative or program will be extended. Equally, during the term of the initiative or program, changes in political or other activities may result in changes to, suspension or abolition of those initiatives or program, which could have a positive or negative effect on the Company.

(n) Competition

The Company will compete with other businesses and companies. Some of these companies are at different stages of development, have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(o) Insurance

The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses or liabilities, the value of the Company's assets may be at risk.

(p) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its technology development as the case may be.

(q) General Operation Risk

Renewable energy projects are exposed to numerous operational risks including the impact of force majeure events, plant breakdowns, electricity network and other utility service failures, and other unanticipated events. The cost of repairing or replacing damaged assets may be considerable, while repeated or prolonged interruption may result in termination of contracts, substantial litigation and damages or penalties for regulatory or contractual non-compliance, reduced cash flows and increased funding costs. Moreover, such amounts may not be recoverable under insurances and, in relation to network failures, network service providers and market operators may also benefit from limitations of liability reducing the quantum of any recovery of damages from them. If the operation expenditure is different from that projected for the wave farm project, it will affect the cash flow available from the project which may have a detrimental impact on the Company.

(r) Market Price of Electricity and Renewable Energy Rights is Volatile

Demand for electricity is dependent on numerous factors including economic conditions, population growth, government policy, weather, availability and price of alternative fuels or energy sources. Demand for products such as the Protean™ WEC Technology and

VRFB ESS technology may be dependent on mandatory requirements for electricity to come from renewable energy sources, market demand for electricity and renewable energy, and their availability. Given the kinds of factors which affect demand, demand has inherent volatility. This may impact on the price of electricity and renewable energy positively or negatively.

(s) Potential Acquisitions and Review of Existing Projects

As part of its business strategy the Company is currently reviewing its existing suite of assets to maximise shareholder returns and there is a risk the Company may not pursue one or more of its existing projects. No decision on whether the Company will not pursue any of its existing projects has been made. The Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

2.2 Mineral Industry Risks

(a) Exploration and Development Risks

Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

The quantities and grades included in the mineral resource statements are estimates and may not prove to be an accurate indication of the quantity or grade of gold that has been identified or that the Company will be able to extract. No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that an identified mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

There is no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(b) Operational Risks

The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Commodity Price Volatility and Foreign Exchange Risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale 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 precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

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

(d) Environmental Risks

The Company's activities are subject to the environmental risks inherent in the mining industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations on any area.

2.3 General Risks

(a) Economic Risk

Changes in the general economic climate in which the Company will operate following completion of the Acquisition may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and Korea and other jurisdictions in which the Company may acquire mineral assets.

(b) Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including the results of future exploration and business development activities. The Company believes its available cash and resources following the Offer should be adequate to fund its exploration work programme, business development activities and other Company objectives.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(c) Changes in Government Policies and Legislation

Government legislation in Australia, South Korea or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) Competition for Projects

The Company competes with other companies, including mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies. In the event that the Company is not able to secure a new project or business opportunity this may have an adverse

effect on the operations of the Company, its possible future profitability and the trading price of its securities, including the Securities offered under this Prospectus.

(e) Sharemarket Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

2.4 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 Shares offered under this Prospectus. Therefore, 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 Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Financial Information

3.1 Effect of the Offer

The effect on the Company's capital structure and the financial effect of the Offer are set out in sections 3.2 and 3.3 below.

After paying for the expenses of the Offer of approximately \$4,900, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$20) will be met from the Company's existing cash reserves.

3.2 Capital Structure on completion of the Offer

	Number of Shares	Number of Unlisted Options	Number of Performance Shares	Number of Performance Rights
Balance at the date of this Prospectus	256,649,841 ⁽¹⁾	8,202,796 ⁽²⁾	3,999,996 ⁽³⁾	1,732,666 ⁽⁴⁾
To be issued under the Offer	1,000	-	-	-
Balance after the Offer (if fully subscribed)	256,650,841	8,202,796	3,999,996	1,732,666

(1) This number includes all of the Cleansing Shares.

(2) Options on issue comprise:

- i. 5,223,637 Unlisted Options exercisable at \$1.125 on or before 31/12/2018;
- ii. 294,581 Unlisted Options exercisable at \$1.125 on or before 30/11/2018;
- iii. 589,164 Unlisted Options exercisable at \$1.50 on or before 30/11/2018;
- iv. 883,750 Unlisted Options exercisable at \$1.88 on or before 30/11/2018;
- v. 1,178,331 Unlisted Options exercisable at \$2.25 on or before 30/11/2018; and
- vi. 33,333 Unlisted Options exercisable at \$2.43 on or before 30/11/2019.

(3) Performance Shares convertible into Shares subject to vesting conditions as outlined in the Company's prospectus dated 25 November 2015.

(4) Performance Rights Comprise:

- i. 716,000 Class B Performance Rights subject to vesting conditions and held in escrow for two years from 29 February 2016;
- ii. 700,000 Class C Performance Rights subject to vesting conditions and held in escrow for two years from 29 February 2016; and
- iii. 316,666 Class D Performance Rights subject to vesting conditions.

3.3 Pro forma statement of financial position

Protean Energy Ltd Group	PROFORMA ADJUSTMENTS												Proforma
	31-Dec-16	1	2	3	4	5	6	7	8	9	10	11	31-Aug-17
	Audited	Rights Issue	Costs of the Offer	Convertible loan	KORID Share Sale	Revaluation of AFS asset	Spend - March and June Quarters	Investment in JV	Grant funding	Impairment	Amortisation	Battery asset Acquisition	Unaudited
\$													\$
Current Assets													
Cash and cash equivalents	270,269	2,839,857	(4,880)	611,000	500,000		(1,057,500)	(96,500)	27,729			3,682	3,093,657
Trade and other receivables	125,930						(110,000)					49,321	65,251
Total current assets	396,199												3,158,908
Non-Current Assets													
Plant and equipment	4,736											669,578	674,314
Intangibles	3,080,657										(482,500)	2,383,120	4,981,277
Investment in joint venture	2,591,500							96,500		(2,659,500)			28,500
Available for sale financial assets	1,343,144				(671,572)	(171,572)							500,000
Total non-current assets	7,020,037												6,184,091
Total assets	7,416,236												9,342,999
Current liabilities													
Trade and other payables	401,324						(300,000)		27,729			129,907	258,959
Borrowings	-											121,714	121,714
Provisions	3,631											10,867	14,498
Total current liabilities	404,955												395,172
Non-current liabilities													
Total non-current liabilities	-												-
Total liabilities	404,955												395,172
Net assets	7,011,281												8,947,827
Equity													
Contributed equity	29,422,124	2,839,857	(4,880)	670,515									32,927,616
Reserve	6,828,267				517,364								7,345,631
Accumulated losses	(29,239,233)			(59,515)	(688,936)	(171,572)	(867,500)			(2,659,500)	(482,500)	1,421,607	(32,747,149)
Capital and reserves attributable to owners	7,011,158												7,526,098
Non-controlling interest	123											1,421,607	1,421,730
Total equity	7,011,281	-	-	-	-	-	-	-	-	-	-	-	8,947,828

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005).

The statement of financial position as at 31 December 2016 has been audit reviewed by the Company's auditors, and has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The statements of financial position as at 31 December 2016 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. 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.

The pro forma statement of financial position is based on the audited statement of financial position as at 31 December 2016 and has then been adjusted to reflect the following material transactions:

Pro-forma Adjustments

The above pro forma unaudited Consolidated Statement of Financial Position includes material movements in the assets and liabilities of the Company between 31 December 2016 and the completion of the Offer, including:

1. Completion of the Rights Entitlement Issue announced in May 2017, by way of full subscription for the Offer, to raise \$3,148,801 (before expenses of the Offer) and 157,440,094 New Shares being issued as a result of the Offer. Expenses of the Offer (assuming full subscription) are estimated at \$308,937 and have been offset against proceeds of the Offer;
2. Receipt of proceeds of the Offer net of capital raising costs of -\$4,880 (gross proceeds of the Offer are \$20 and capital raising costs associated with the Offer are \$4,900). This is on the assumption maximum entitlements are taken up under the Offer
3. Convertible loan for \$650,000 as announced on 28 February 2017, borrowing costs of 6% and interest payable of 8% per annum;
4. Off-market sale of 1,250,000 DST Inc shares announced on 28 February 2017, being \$500,000;
5. Impairment recognised on 1,250,000 of DST Inc shares held;
6. Expenditure incurred during the March and June quarters and estimated for July and August and settlement of receivables and payables and includes settlement of accrued Non-Executive Director fees;
7. The JV agreement with DST requires the Company to fully fund Stage 1 of the JV, the amount notes the investment during the period;
8. Grant funding received;
9. Impairment of exploration assets as at 30 June 2017;
10. Amortisation of WEC intangible assets; and
11. Acquisition of battery asset KORID Energy Co. Ltd

3.4 Market price of Shares

The highest and lowest market sale prices of the Company's Shares during the 52-week period prior to the date of lodgement of this Prospectus with the ASIC were:

Highest: \$0.04 per Share on 18 May 2017.

Lowest: \$0.019 per Share on 24 August 2017.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.019 per Share on 28 August 2017.

3.5 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.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that

one-third of Directors must retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

4.2 Company is a disclosing entity

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.

This Prospectus is a "transaction specific prospectus" under section 713 of the Corporations Act. In general terms, a "transaction specific prospectus" is 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 enquires 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 3 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.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2016, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date	ASX Announcement
21/08/2017	Appendix 3B
18/08/2017	Final Director's Interest Notice
11/08/2017	Resignation of Director
01/08/2017	Becoming a substantial holder
31/07/2017	Appendix 4C - quarterly
31/07/2017	Change of Director's Interest Notice
27/07/2017	Protean & KEPCO to Jointly Pursue Renewable Energy
25/07/2017	Appendix 3B
25/07/2017	Protean Successfully Completes Underwritten Rights Issue
07/07/2017	Change of Director's Interest Notice
29/06/2017	Notice of Rights Issue Shortfall
15/06/2017	Extension of Rights Issue Closing Date Updated
14/06/2017	Extension of Rights Issue Closing Date
08/06/2017	Protean Secures First Grant Funding for V-KOR Batteries
29/05/2017	Letter to Shareholders
29/05/2017	Appendix 3B - Rights Issue (Replacement)
29/05/2017	Letter to Ineligible Shareholders
29/05/2017	Letter to Option Holders
29/05/2017	Renounceable Rights Issue Prospectus (Replacement)
22/05/2017	The Right POWR Line Suspension (Amended)
22/05/2017	The Right POWR Line Suspension
18/05/2017	Appendix 3B - Rights Issue
17/05/2017	Letter to Shareholders

Date	ASX Announcement
17/05/2017	Letter to Ineligible Shareholders
17/05/2017	Letter to Option Holders
17/05/2017	Renounceable Rights Issue Prospectus
16 May 2017	Initial Director's Interest Notice
16 May 2017	Board Appointment
28 April 2017	Appendix 4C - Quarterly
21 April 2017	LNK: Change of Perth Address for Shareholder Purposes
14 March 2017	Consolidation/Split – POW
14 March 2017	Notice of General Meeting/Proxy Form
8 March 2017	Appendix 3B – Escrow Release and Issue of Shares
7 March 2017	Acquisition of Vanadium Flow Battery Storage System
3 March 2017	Final Director's Interest Notice
1 March 2017	Half Yearly Report and Accounts
1 March 2017	Appendix 4D
28 February 2017	Reinstatement to official list
28 February 2017	Sale of KORID Shares and Funding Update
24 February 2017	Joint Venture Partner Update
15 February 2017	Voluntary Suspension Update
10 February 2017	Release of Escrowed Securities
7 February 2017	Suspension from Official Quotation
3 February 2017	Trading Halt
1 February 2017	Appendix 4C - quarterly
20 January 2017	Update on Joint Venture Partner KORID
19 January 2017	Request for Trading Halt
19 January 2017	Trading Halt
18 January 2017	Results of Meeting
23 December 2016	Corporate Presentation
15 December 2016	Notice of General Meeting/Proxy Form
13 December 2016	Receipt of R&D Tax Incentive
8 December 2016	Change of Registered Address
6 December 2016	Protean to Acquire 50% Stake in Flow Battery Manufacturer
23 November 2016	Change of Company Name
16 November 2016	Results of Meeting
4 November 2016	Corporate Presentation

Date	ASX Announcement
3 November 2016	Completion of Pre-Commercial Testing
1 November 2016	Appendix 4C - quarterly
27 October 2016	Commencement of Final Phase of Pre-Commercial Testing
17 October 2016	Cleansing Prospectus
7 October 2016	Appendix 3B
4 October 2016	Notice of Annual General Meeting/Proxy Form
28 September 2016	Second Phase Testing of Protean WEC in Progress

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Unit 5, Ground Floor, 1 Centro Avenue Subiaco WA 6008.

- (a) this Prospectus;
- (c) Constitution; and
- (d) the consents referred to in Section 4.9 and the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

4.6 Directors' interests

(a) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the Securities of the Company at the date of this Prospectus:

Director	Fully paid ordinary shares	Options Ex \$1.125 exp 31/12/2018	Options Ex \$1.125 exp 30/11/2018	Options Ex \$1.50 exp 30/11/2018	Options Ex \$1.875 exp 30/11/2018	Options Ex \$2.25 exp 30/11/2018	Options Ex \$2.835 exp 30/11/2019
Bevan Tarratt	942,062	218,142	25,000	50,000	100,000	75,000	-
Young Yu	4,986,722	-	25,000	50,000	75,000	100,000	-
David Wheeler	-	-	-	-	-	-	-

(b) Remuneration of Directors

No person has paid or agreed to pay any amount or has given any benefit to any Director to induce them to become, or qualify as a Director or for services provided by the Director, in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the offer of Shares under this Prospectus,

except as set out below or elsewhere in this Prospectus.

The Company's Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at a general meeting. Total directors' fees to be paid to all non-executive Directors are not to exceed \$250,000 per annum.

The following table shows the directors' fees paid to non-executive Directors from 1 July 2015 to 30 June 2017:

Non-executive Director	2016/2017 financial year	2015/2016 financial year
David Wheeler	\$4,500	N/A
Bevan Tarratt	\$92,000	\$57,877
Young Yu	\$76,000	\$61,000

4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Minerva Corporate has provided advisory and drafting services in relation to the Offer and Prospectus. The Company estimates it will pay Minerva Corporate \$1,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Minerva Corporate has been paid approximately \$110,500 (excluding GST) for company secretarial and corporate advisory services provided to the Company (unrelated to the Offer under this Prospectus).

Nova Legal has provided legal advice in relation to the Offer and Prospectus. The Company estimates it will pay Nova Legal \$1,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has been paid approximately \$158,099 (excluding GST) for other legal services provided to the Company (unrelated to the Offer under this Prospectus).

4.8 Expenses of the Offer

The estimated expenses of the Offer are as follows:

	Offer
	\$
ASIC lodgement fee	2,400
Legal and other expenses	<u>2,500</u>
Total	<u>4,900</u>

4.9 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

Nova Legal has given, and has not withdrawn, its written consent to being named in this Prospectus as solicitors to the Company. Nova Legal have not authorised or caused the issue of this Prospectus or the making of offers under this Prospectus. Nova Legal makes no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company and each Director has consented to the lodgement of this Prospectus with ASIC pursuant to section 720 of the Corporations Act.

This Prospectus is signed for and on behalf of Company by:



Matthew Foy
Company Secretary

Dated: 28 August 2017

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

AWST means Australian Western Standard Time.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2016 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2016, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2016.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Securities received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Cleansing Shares has the meaning in Section 1.2.

Closing Date means 5:00pm AWST on 29 August 2017 or such later date as the Directors may determine.

Company means Protean Energy Limited (ACN 119 267 391).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

DST means DST Inc. (KOSDAQ: 033430) a company duly incorporated and existing under the laws of the Republic of Korea.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Minerva Corporate means Minerva Corporate Pty Ltd (ACN 162 518 372).

Nova Legal means Nova Legal Pty Ltd (ACN 158 021 026).

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means the right to acquire one Share.

Performance Right means a performance right which is convertible into Shares subject to certain performance milestones and vesting conditions.

Prospectus means this prospectus dated 28 August 2017.

PEA means Protean Energy Australia Pty Ltd (ACN 143 809 803).

Section means a section of this Prospectus.

Security or **Securities** means a security in the Company.

Shareholder means a holder of Shares.

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