

## Whitebark to raise up to \$1.98m to fund increase in Canadian activity

1<sup>st</sup> August 2018

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***1 for 2 renounceable rights issue at 0.4 cents per share with 1 for 1 free attaching options***

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### Highlights

- 1 for 2 renounceable rights issue at 0.4 cents per share to raise up to \$1.98m
- Attractively priced at 0.4 cents per share
- Discount of 36% to 30 day volume weighted average share price
- With every new share, shareholders will receive one free attaching option
- New options will have exercise price of 1 cent, term of two years and will be listed
- Shareholders can trade their rights and apply for additional shares and options
- Rights to start trading from 6 August 2018
- Directors intend to participate.
- Funds will be used to continue successful growth strategy in Canada, including new well and facility upgrades
- This strategy has created a 125% increase in production in the past 12 months
- Whitebark is targeting production to double again in the next 12 months

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Whitebark Energy Ltd (ASX: WBE) (“Whitebark” or “the Company”) is pleased to announce renounceable, pro-rata rights issue to existing shareholders to raise up to \$1.98 million before costs (Rights Issue). The issue is partially underwritten by CPS Capital Pty Ltd which also acts as Lead Manager.

Eligible shareholders will be able to subscribe for 1 new share for every 2 shares they hold, at an issue price of 0.4 cents per share. For every new share, shareholders will receive one free attaching option with exercise price of 1 cent and term of approximately two years. The Company will apply for the quotation of new options on the ASX Ltd.

The rights are renounceable and shareholders will be able to trade them on the ASX. Shareholders will also be able to apply for additional shares and options beyond their entitlement.

Funds raised will be used to upgrade facilities, thus substantially reducing operating costs, at the Company’s Paddle River Project, and for development drilling in Paddle River. The investment will deliver strong returns and be the catalyst for further oil wells in the Paddle River oil pool and neighbouring 40 million barrel oil plays (8.4mmboe net to WBE), recently identified in the Company’s 3D program in Q1 2018. (Refer ASX release dated 30 May 2018)

In May 2017 Whitebark, then called Transerv, announced that it had completed its acquisition of 20% of the Point Loma assets (PLJV) in Canada. Since then the PLJV has continued to build by acquisition and its production rate has increased by 125% from 160 BOE/D to 360 BOE/D, while 2P reserves have increased by 184% from 831,00 BOE to 2.4 million BOE. The Company now has a balanced portfolio of assets comprised of production and development opportunities in Alberta Canada and exploration and development opportunities in WA with Xanadu and the Warro tight gas field.

“We have been very selective and opportunistic in the acquisitions we have made to date with our Joint Venture partners in Canada, and this has delivered strong production returns for the capital we have invested,” said Charlie Morgan, Chairman of Whitebark Energy

“The rights issue gives every shareholder an equal opportunity to maintain their exposure to Whitebark at an attractive price. As a reflection of this the directors of Whitebark intend to participate and contribute approximately \$300,000 to the issue and are looking forward to a strong finish to the year.”

### Indicative Rights Issue Timetable

Whitebark shares trade ex-rights (Ex-Date)	6 August 2018
Rights trading starts on a deferred settlement basis	6 August 2018
Record date to determine rights entitlements (Record Date)	7 August 2018
Offer document with acceptance form despatched. Offer open for receipt of applications	9 August 2018
Rights trading ends	17 August 2018
Closing date for acceptances	24 August 2018
Shortfall notifications	28 August 2018
Issue of new shares	30 August 2018

For further information:

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Managing Director  
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FTI Consulting  
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The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of oil and gas reserves and resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**WHITEBARK ENERGY LIMITED**  
**ACN 079 432 796**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of 1 Share for every 2 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.004 per Share together with 1 New Option for every 1 Share issued to raise approximately \$1,980,862 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is partially underwritten up to \$1,100,000 by CPS Capital Group Pty Ltd (AFSL 294848) (**Underwriter**). Refer to Section 9.4 for details regarding the terms of the Underwriting Agreement.

**IMPORTANT NOTICE**

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

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

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## 1. CORPORATE DIRECTORY

### Directors

Charles Morgan (*Non-Executive Chairman*)

David Messina (*Managing Director*)

Stephen Keenihan (*Executive Director*)

### Company Secretary

Kevin Hart

### Share Registry\*

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace  
Perth WA 6000

TELEPHONE: 1300 850 505  
FACSIMILE: +(61) 3 9473 2500

### Lead Manager and Underwriter

CPS Capital Group Pty Ltd  
Level 45, 108 St Georges Terrace  
PERTH WA 6000  
AFSL: 294848

### Registered Office

Suite 8  
2 The Esplanade  
Mount Pleasant WA6153

### Principle place of business

Level 2  
1 Thelma Street  
West Perth WA 6005

Telephone: +61 8 6555 6000  
Facsimile: +61 8 6555 6099  
Email: [info@whitebarkenergy.com](mailto:info@whitebarkenergy.com)  
Website: [www.whitebarkenergy.com](http://www.whitebarkenergy.com)

### ASX Code

WBE

### Lawyers

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

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

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## 2. LETTER FROM THE CHAIR

Dear Shareholder,

I am pleased to invite you to join the board in participating in the partially underwritten one for two pro-rata renounceable rights issue at 0.4 cents, with a one for one attaching two-year option exercisable at 1 cent. The issue was announced on 1 August 2018 and if fully subscribed will raise approximately \$1.98m before costs.

The issue gives every shareholder an equal opportunity to maintain their exposure to Whitebark at an attractive price. As a reflection of this it is the intention of the directors of Whitebark to take up their rights and Eligible Shareholders are encouraged to apply for any Shortfall by following the instructions set out in the Prospectus below.

The Offer is underwritten by CPS Capital Group to \$1.1m.

Since May 2017 when Whitebark (then called Transerv) announced it had completed the acquisition of 20% of the Point Loma assets (PLJV) the PLJV has continued to build by acquisition and its production rate has increased by 125% from 160 BOE/D to 360 BOE/D while 2P reserves have increase by 184% from 831,00 BOE to 2.4 million BOE. The Company has a balanced portfolio of assets comprised of production and development opportunities in Alberta Canada and exploration and development opportunities in WA with Xanadu and the Warro tight gas field.

Funds raised in this issue will be used to upgrade facilities, thus substantially reducing operating costs, at the Paddle River Project, and for development drilling at Paddle River. This investment will deliver strong returns and be the catalyst for further wells in the Paddle River oil pool and neighbouring 40 million barrel oil plays, recently identified in the Company's 3D program in Q1 2018.

The details of the Rights Issue are set out in this Prospectus, together with your personalised Entitlement and Acceptance Form. This information should be read in its entirety before making your investment decision. Risk factors are set out in Section 8.

On behalf of the Board I would like to take this opportunity to thank all shareholders for your ongoing support and invite you to participate in this Rights Issue alongside the Directors.

**Charles Morgan**  
**Chairman**

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### 3. TIMETABLE

Lodgement of Prospectus with the ASIC	1 August 2018
Lodgement of Prospectus & Appendix 3B with ASX	1 August 2018
Notice sent to Optionholders	2 August 2018
Notice sent to Shareholders	3 August 2018
Ex date	6 August 2018
Rights start trading	6 August 2018
Record Date for determining Entitlements	7 August 2018
Prospectus sent out to Shareholders & Company announces this has been completed	9 August 2018
Rights stop trading	17 August 2018
Last date to extend the closing date	21 August 2018
Closing Date*	24 August 2018
ASX notified of under subscriptions	28 August 2018
Issue date/Shares entered into Shareholders' security holdings	30 August 2018
Quotation of Shares issued under the Offer*	31 August 2018

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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## **4. IMPORTANT NOTES**

This Prospectus is dated insert 1 August 2018 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

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.

### **4.1 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

### **4.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained



in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 5 of this Prospectus.

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## **5. DETAILS OF THE OFFER**

### **5.1 The Offer**

The Offer is being made as a renounceable entitlement issue of 1 Share for every 2 Shares held by Shareholders registered at the Record Date at an issue price of \$0.004 per Share together with 1 New Option for every 1 Share issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 495,215,502 Shares and 495,215,502 New Options will be issued pursuant to this Offer to raise approximately \$1,980,862.

The Lead Manager and Underwriter is CPS Capital Group Pty Ltd (ACN 088 055 636) (**Underwriter**) and CPS Capital has agreed to underwrite the entitlement issue up to \$1,100,000.

As at the date of this Prospectus the Company has 111,000,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 6.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. All New Options will be issued on the terms set out in Section 7.2. Please refer to section 7 for further information regarding the rights and liabilities attaching to the Shares and terms of the New Options.

The purpose of the Offer and the intended use of funds raised are set out in section 6.1 of this Prospectus.

### **5.2 What Eligible Shareholders may do**

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement – see section 5.3;
- (b) take up all of their Entitlements and apply for Shortfall Securities – see section 5.4;
- (c) sell all of their Entitlement on ASX – see section 5.5;
- (d) take up a proportion of their Entitlement and sell the balance on ASX – see section 5.6;
- (e) take up a proportion of their Entitlement and allow the balance to lapse – see section 5.7;
- (f) sell all or a proportion of their Entitlement other than on ASX – see section 5.8; or
- (g) allow all or part of their Entitlement lapse – see section 5.9.

### **5.3 Taking up all of your Entitlement**

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Whitebark Energy Limited" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry by post at:

By Post                      Whitebark Energy Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne  
Victoria 3001 Australia

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 5.10.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid). 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 5.00pm (AEST) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

#### **5.4 Taking up all your Entitlement and applying for Shortfall Securities**

Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then applications for Shortfall Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

#### **5.5 Selling all your Entitlement on ASX**

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of

Entitlements will commence on ASX on 6 August 2018 and will cease on 17 August 2018.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

#### **5.6 Taking up a proportion of your Entitlement and selling the balance on ASX**

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 5.3, or make a payment by BPAY in accordance with section 5.3.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

#### **5.7 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 5.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

#### **5.8 Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Whitebark Energy Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address:

By Post	Whitebark Energy Limited C/- Computershare Investor Services Pty Limited GPO Box 505 Melbourne Victoria 3001 Australia
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If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.

#### **5.9 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

#### **5.10 Implications of an acceptance**

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

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (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.

#### **5.11 Minimum subscription**

The minimum subscription in respect of the Offer is \$1,100,000, being the partially underwritten amount of the Offer.

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

#### **5.12 Lead Manager**

CPS Capital Group Pty Ltd has been appointed as the lead manager of the Offer as well as the Underwriter. The fees payable to CPS Capital Group Pty Ltd are set out in Section 9.4.2 below.

#### **5.13 Underwriting and sub-underwriting**

The Offer is partially underwritten by the Underwriter. Refer to section 9.4.2 of this Prospectus for details of the terms of the underwriting.

As a term of the underwriting, Mr David Messina has agreed to sub-underwrite the Offer up to a maximum of \$100,000 (representing 25,000,000 Shares and 25,000,000 New Options). As at the date of this Prospectus, the Company has outstanding salary commitments to Mr Messina for the month of July. In addition, Mr Messina has requested, and the other Directors have agreed, to allow Mr Messina to off-set his sub-underwriting commitment against his salary for the months of August and September, meaning that the Company will not pay Mr Messina any salary for the month of August or September if he is required to subscribe for his full sub-underwriting commitment. The Directors (other than Mr Messina) believe that Mr Messina's commitment to sub-underwrite the Offer is evidence of his commitment and belief in the direction of the Company and are therefore willing to support this structure. The off-set will mean that the Company will not receive all the funds

under the Offer but will reduce its existing creditors as well as reduce the Company's salary commitments for the months of August and September.

Mr Messina will be paid a sub-underwriting fee of 4%, which fee will be paid by the Underwriter from fees received from the Company.

#### 5.14 Effect on control of the Company

The Underwriter is not presently a shareholder of the Company and so the extent to which Shares are issued to the Underwriter pursuant to the underwriting will create a voting power in the Company.

The Offer is only partially underwritten however, such that the maximum voting power that the Underwriter may achieve in the Company (assuming no other Eligible Shareholder applies for their Entitlement) is 19%. However, the Company notes that:

- (a) Director Charles Morgan has indicated his intention to subscribe for his Entitlements held either in his own name or in the name of his associated entities (refer to Section 9.5 below);
- (b) Director Stephen Keenihan has indicated his intention to subscribe for 55% of his Entitlements held either in his own name or in the name of his associated entities (refer to Section 9.5) below); and
- (c) Mr David Messina has agreed to sub-underwrite 25,000,000 Shares (representing \$100,000) of the Underwriter's commitment.

Both of these will result in the reduction of the Underwriter's potential voting power in the Company from 19% to less than 19%. If only Messrs Morgan, Keenihan and Messina apply for their Entitlements and sub-underwriting commitments, a total of 76,110,664 Shares will be issued under the Offer, meaning the Underwriter may need to subscribe for 198,889,336 Shares to meet its underwriting commitment, giving it a total voting power of 15.7%. The Underwriter may also appoint further sub-underwriters to take up some or all of that commitment. For these reasons, the Offer is therefore not expected to have any effect on the control of the Company.

#### 5.15 Potential dilution on non-participating Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	2.02%	10,000,000	20,000,000	1.35%
Shareholder 2	10,000,000	1.01%	5,000,000	10,000,000	0.67%
Shareholder 3	5,000,000	0.5%	2,500,000	5,000,000	0.34%
Shareholder 4	2,500,000	0.25%	1,250,000	2,500,000	0.17%
Shareholder 5	1,000,000	0.01%	500,000	1,000,000	0.07%
Shareholder 6	500,000	0.05%	250,000	500,000	0.03%

**Notes:**

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

## **5.16 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.004 being the price at which Shares have been offered under the Offer. Each Share issued under the Shortfall Offer will also receive one New Option.

Eligible Shareholders who wish to subscribe for Shares and New Options over and above their Entitlement may do so by applying under the Shortfall Offer and providing the payment for the additional Shares and New Options in the manner set out in this Prospectus above.

Eligible Shareholders are encouraged to apply for Shortfall in addition to their Entitlement, and may do so by following the instructions set out in Section 5.4 above. However, the Directors reserve the right to issue Shortfall Shares at their absolute discretion. The allocation of the Shortfall will be undertaken by the Directors in consultation with the Underwriter.

In allocating the Shortfall, consideration will be given to ensuring that no party receiving Shares and New Options will increase their voting power to above 19.9% in the Company. Based on the existing voting power of the Company's substantial shareholders as at the date of this Prospectus (refer to Section 6.5 below), the Directors do not believe there is any potential for any party to practically increase their voting power over this limit.

## **5.17 The Broker Offer**

The Company offers the Underwriter 20,000,000 New Options on the terms set out in Section 7.2 for nil cash consideration (**Broker Offer**). The New Options being issued under this Broker Offer are part of the fee for acting as the Underwriter, refer to Section 9.4.2 for further information on the fee payable.

The Broker Offer has been included primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Options issued to the Broker by the Company prior to the Closing Date.

## **5.18 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the

New Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Official Quotation of the New Options, then the New Options will still be listed, however will not be quoted on ASX.

The fact that ASX may grant Official Quotation to the Shares and/or the New Options is not to be taken in any way as an indication of the merits of the Company or the Shares and New Options now offered for subscription.

#### **5.19 Issue**

Shares and New Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares and New Options issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares and New Options issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Shares and new Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### **5.20 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 Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of 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 Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002.

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, CPS Capital Group Pty Ltd, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.



The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement up to the maximum underwriting commitment (\$1,100,000).

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

## **5.21 Enquiries**

Any questions concerning the Offer should be directed to Kevin Hart, Company Secretary, on +61 8 9316 9100.

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## 6. PURPOSE AND EFFECT OF THE OFFER

### 6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,880,862 in new funds (before expenses).

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$) <sup>1</sup>	%	Full Subscription (\$) <sup>1</sup>	%
1.	Upgrade of Paddle River Project facility <sup>2</sup>	640,000	64%	940,000	49.9%
2.	Development Well Paddle River Project <sup>2</sup>	-	0%	660,000	3.1%
3.	Expenses of the Offer <sup>3</sup>	112,420	11.3%	144,487	7.7%
5.	Working capital	247,580	24.7%	136,375	7.3%
	<b>Total</b>	<b>1,000,000</b>	<b>100%</b>	<b>1,880,862</b>	<b>100%</b>

#### Notes:

1. As set out in Section 4.8 above, the Company has agreed to off-set Mr Messina's Entitlement and sub-underwriting commitment against his outstanding salary for July and his pending salary for August and September. Therefore the total amount of funds received has been reduced by \$100,000, however the liabilities of the Company have been reduced by the amount of those outstanding salary and no salary will be accrued for the months of August and September 2018.
2. Funds raised in this issue will be used to upgrade facilities thus substantially reducing operating costs at Paddle River and for development drilling in Canada. The Directors consider that this work has the potential to lead to strong returns and be the catalyst for further oil wells in the Paddle River oil pool and neighbouring 40 million barrel oil play recently identified in the Company's 3D program in Q1 2018 (refer ASX release dated 30 May 2018).
3. Refer to section 9.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company raises more than the minimum subscription of \$1,100,000, the additional funds raised will be first applied towards the increased expenses of the Offer and will then be allocated toward the further upgrade and development of the Paddle River Project Facility and then the Paddle River development well project. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events, including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## 6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,866,375 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) reduce creditors and future salary obligations by up to \$100,000 as a result of the conversion of outstanding and future salary obligations to Mr David Messina as part of the Offer and his sub-underwriting;
- (c) increase the number of Shares on issue from 990,431,004 as at the date of this Prospectus to 1,485,646,506 Shares; and
- (d) increase the number of Options on issue from 111,000,000 Options to 626,215,502 Options.

## 6.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

		Unaudited Underwritten amount	Unaudited Full subscription
	UNAUDITED 30-Jun 2018	PROFORMA 30-Jun 2018	PROFORMA 30-Jun 2018
<b>CURRENT ASSETS</b>			
Cash <sup>1,2</sup>	1,053,189	1,940,769	2,789,564
Trade and other receivables	68,132	68,132	68,132
Other current assets	45,854	45,854	45,854
Assets classified as available-for-sale			
<b>TOTAL CURRENT ASSETS</b>	<b>1,167,175</b>	<b>2,054,755</b>	<b>2,903,550</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	7,910,288	7,910,288	7,910,288
Exploration and evaluation assets	3,980,506	3,980,506	3,980,506
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,890,794</b>	<b>11,890,794</b>	<b>11,890,794</b>

<b>TOTAL ASSETS</b>	<b>13,057,969</b>	<b>13,945,549</b>	<b>14,794,344</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	433,951	433,951	433,951
Provisions	103,808	103,808	103,808
<b>TOTAL CURRENT LIABILITIES</b>	<b>537,759</b>	<b>537,759</b>	<b>537,759</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	2,528	2,528	2,528
Provisions for rehabilitation	1,293,459	1,293,459	1,293,459
Decommissioning liabilities	6,253,248	6,253,248	6,253,248
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,549,235</b>	<b>7,549,235</b>	<b>7,549,235</b>
<b>TOTAL LIABILITIES</b>	<b>8,086,994</b>	<b>8,086,994</b>	<b>8,086,994</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>4,970,975</b>	<b>5,858,555</b>	<b>6,707,350</b>
<b>EQUITY</b>			
Issued capital <sup>1,2</sup>	54,382,657	55,270,237	56,119,032
Reserves	2,074,544	2,074,544	2,074,544
Accumulated losses	-51,486,226	-51,486,226	-51,486,226
<b>TOTAL EQUITY</b>	<b>4,970,975</b>	<b>5,858,555</b>	<b>6,707,350</b>

Notes to the proforma balance sheet:

1. Unaudited Proforma Underwritten amount

The entitlement issue is subscribed to the underwritten amount of \$1,100,000 leading to the issue of 275,000,000 shares at \$0.004 and 275,000,000 free attaching New options to raise \$1,000,000 cash before costs. Noting that \$100,000 ( 25,000,000 shares and new options) will be offset against outstanding salary together with salary for August and September for Mr David Messina.

The costs of the entitlement issue for the underwritten amount are estimated at \$112,420.

2. Unaudited Proforma Fully Subscribed

The entitlement issue is fully subscribed to the raising an amount of \$1,980,862 leading to the issue of 495,215,502 shares at \$0.004 and 495,215,502 free attaching New options to raise \$1,880,862 cash before costs. Noting that \$100,000 ( 25,000,000 shares and new options) will be offset against outstanding salary together with salary for August and September for Mr David Messina.

The costs of the entitlement issue for the underwritten amount are estimated at \$144,487.

## 6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

## Shares

	Number
Shares currently on issue	990,431,004
Shares offered pursuant to the Offer	495,215,502
<b>Total Shares on issue after completion of the Offer</b>	<b>1,485,646,506</b>

## Options

	Number
Options currently on issue:	
Unlisted exercisable at \$0.015 on or before 1 April 2021	11,000,000
Unlisted exercisable at \$0.015 on or before 31 May 2021	100,000,000
New Options offered pursuant to the Offer	495,215,502
New Options offered pursuant to Broker Offer	20,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>626,215,502</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,101,431,004 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 2,111,862,008 Shares.

## 6.5 Details of substantial holders

Based on available information as at 30 July 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Mr Stephen Leslie Keenihan + Mrs Sheridan Jay Keenihan <SL & SJ Keenihan S/F Account> ("Keenihan")	72,947,334	7.37%
Mr Charles Waite Morgan ("Morgan")	62,100,294	6.27%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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## **7. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND NEW OPTIONS**

### **7.1 Rights and Liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

#### **7.1.1 General meetings**

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

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

#### **7.1.2 Voting rights**

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

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **7.1.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **7.1.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **7.1.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **7.1.6 Transfer of shares**

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

#### **7.1.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **7.1.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

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

### 7.1.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 7.2 Terms and Conditions of New Options

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**)

### (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 August 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### (g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in



accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **8. RISK FACTORS**

### **8.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

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

### **8.2 Company specific**

#### **(a) Contractual Risk**

Oil and gas ventures are typically operated under "Joint Operating Agreements", which include provisions that often require certain decisions relating to the exploitation of the oil and gas properties to be passed with unanimous or majority approval of all participants. The Company has a 20% working interest in the Pt Loma Joint Venture in Alberta Canada and is earning a 15% interest in the Xanadu Joint Venture in Western Australia. Where a venture partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company.

The Directors are unable to predict the risk of:

- (i) financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party;
- (ii) insolvency or other managerial failure by any of the contractors used by the Company in its exploration, development and production activities; or
- (iii) insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

#### **(b) Exploration and development**

The future value of the Company will depend on its ability to find and develop oil and gas resources that are economically recoverable within the Company's granted exploration and production permits.

Hydrocarbon exploration and development is inherently highly speculative and involves a significant degree of risk. There can be no assurance that the Company's planned exploration, appraisal and development activities will be successful. Even if oil and gas resources are identified, there is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The proposed exploration and future drilling program could experience cost overruns that reduce the Company's ability to complete the planned exploration and future drilling program in the time expected.

Oil and gas exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

(c) **Hydraulic fracturing**

The Company uses horizontal drilling together with hydraulic fracturing stimulation technology in its exploration, production and development activities. The use of these technologies may be necessary for the production of commercial quantities of oil and gas from geological formations of the type that the Company is targeting. The enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Investors should note that hydraulic fracturing has been the subject of increased media scrutiny, particularly in the United States and more recently Australia, due to its potential environmental impacts on land and underground water supply if not properly managed. On the 5<sup>th</sup> September 2017 the Western Australian (WA) government announced a moratorium on hydraulic fracturing for onshore gas activity in WA while it undertakes a scientific enquiry. This has halted further activity on the Company's Warro tight gas field until the results of the enquiry are announced.

Restrictions or prohibitions on the use of hydraulic fracturing may reduce the amount of oil and gas the Company can produce and may have a material impact on the Company's business.

(d) **Environmental regulations**

Oil and gas exploration, development and production generates potential environmental risks and is therefore subject to environmental regulation pursuant to a variety of State, Territory and Federal laws and regulations. In particular there are regulations in place with respect to potential spills, contamination, releases and emission of substances related, or incidental to, the production of oil and gas. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. In certain circumstances, these laws and

regulations also create obligations to remediate current and former facilities and locations where operations are or were conducted.

Compliance with these regulations can require significant expenditure and a breach may result in substantial financial liability on the Company. These risks will be minimised by the Company conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(e) **Operational**

Oil and gas exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling and operating oil and gas wells.

The occurrence of any of these risks could result in substantial financial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Company which may not be covered fully by insurance or at all.

(f) **Native Title**

The effect of the Native Title Act is that existing and new permits held by the Company may be affected by Native Title procedures. The requirement to comply with the Native Title Act has the potential to significantly delay the grant of exploration permits and other petroleum permits in Australian jurisdictions. This is because generally a proponent must negotiate with and obtain the consent to grant of any determined Native Title holders or groups with a registered claim overlapping the permit area.

Such procedures may take considerable time, involve the negotiation of significant agreements, may involve a requirement to negotiate for access rights, and require the payment of compensation to those persons holding or claiming Native Title in the land which is the subject of a permit. The administration and determination of Native Title issues may have a material adverse impact on the position of the Company and its business.

If the Company applies for additional rights such as a production lease, it will also need to comply with the procedures under the Native Title Act at this time, which will include negotiations with Native Title Parties.

(g) **Cultural Heritage and Aboriginal sites of significance**

Legislation in Australia and overseas typically allows for the protection of the cultural heritage of both indigenous peoples and later settlers. Permits and project areas may contain sites of significance, which would need to be avoided when carrying out field programs and project development. A failure to comply with this legislation may amount to a criminal offence carrying penalties of imprisonment and monetary fines.

One way to address Aboriginal cultural heritage is to enter into an agreement with the relevant Native Title Party (commonly called a Heritage Protection Agreement or a Petroleum Access & Heritage Agreement).

Any refusal or delay in obtaining the necessary approvals or clearance from the Native Titles Parties may result in a departure from the Company's proposed work program and may have a material impact on the Company's business.

Despite any measures put in place by the Company, there remains a risk that sites of cultural significance may exist that may contain an economic hydrocarbon resource, which would not be able to be accessed by the Company.

(h) **Reserves and resources**

Accumulations of hydrocarbons will be classified according to the system designed by the Society of Petroleum Engineers, through the Petroleum Resources Management System (SPE-PRMS) and in accordance with the Listing Rules.

The SPE-PRMS system classifies accumulations of hydrocarbons with respect to a matrix of uncertainty and chance of commerciality. Whilst there are a multitude of pathways through this matrix from Prospective Resources to Contingent Resources and then to reserves, the process is defined by the three stages of exploration, appraisal and development.

Prospective Resources are defined as those quantities of oil and gas which are estimated on a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development however, are undiscovered and as such carry significant exploration risk.

There is a different process for the conversion of resources to reserves between conventional (high permeability) reservoirs and unconventional (low permeability) reservoirs. For conventional reservoirs this is done via relatively short term flow tests in the appraisal wells. For the unconventional reservoirs which often contain much larger accumulations covering large areas, a number of longer term production pilots may be required to demonstrate commerciality and quantification of reserves.

In general, estimates of economically recoverable oil and gas reserves and resources are based upon a number of variable factors and assumptions, such as comparisons with production from other producing areas, the assumed effects of regulation by governmental agencies, assumptions regarding future oil and gas prices and future operating costs, all of which may vary considerably from actual results. Actual production with respect to reserves may vary from such estimates and such variances could be material.

Reserve and resource estimates are estimates only and no assurance can be given that any particular level of recovery from hydrocarbon reserves will in fact be realised or that an identified hydrocarbon resource will ever qualify as commercially viable which can be legally and economically exploited.

(i) **Water**

The exploration for and production of oil and gas requires a reliable water source. The Company may need to secure water licenses for the taking and using of water. There is a risk that the water allocation for a particular area will be exhausted. Where this is the case, the Company will need to consider alternative options for obtaining water such as entering into an arrangement to lease a water entitlement from an existing water license holder. In addition to the amounts of water normally required in drilling activities, the use of hydraulic fracturing stimulation would require further volumes of water.

(j) **Operational authorisations**

The Company's gas and oil exploration and development activities and operations are focused on Western Australia and Canada and are subject to significant government oversight, regulation and control.

In Australia, these operational regulations may vary between the States and Commonwealth of Australia governing bodies. Various levels of government (both State and those of the Commonwealth of Australia) have imposed rules and regulations that the Company must comply with and from which the Company must obtain and maintain certain licenses, authorisations and permits in respect of its exploration and development activities (collectively, **Authorisations**). The Authorisations, which are required by the Company to carry out exploration and development, may not be granted or may be withdrawn or made subject to limitations.

Authorisations relate to, among other things, the protection of the environment, Aboriginal cultural heritage, native title rights, the protection of workers and the public. Changes in government, government policies and legislation could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Although the Authorisations may be renewed following expiry or granting, there can be no assurance that such Authorisations will be renewed or granted on the same terms. There are also risks that there could be delays in obtaining such Authorisations. If the Company does not meet its work and/or expenditure obligations under its Authorisations, this may lead to dilution of its interest in, or the loss of such interest. The Company cannot provide assurances that it will be able to obtain all necessary licenses, Authorisations and permits.

In Canada, there are a number of Federal and provincial policies and regulations that may have a material impact on the financial and operational performance of the company if modified. These include changes to the regulation and licensing system, changes to taxes and royalty structure, changes to legislation around drilling, completion and environmental approvals.

The Canadian oil and gas assets may be subject to claims by First Nations and indigenous/aboriginal people. A successful claim may negatively impact the Company's ability to conduct exploration and production which may have a material adverse effect on the Company's financial performance.

(k) **Availability of drilling and other service equipment**

The Company's oil and gas exploration and development activities are dependent on the availability of drilling rigs and related equipment in the area of its exploration permits. The Company continues to monitor rig availability for its planned drilling however it has not, at this time, secured the use of a drilling rig or hydraulic fracturing equipment for its operations.

(l) **Seasonality and weather**

Operations on a number of the Company's exploration permits are affected by seasonal weather conditions. The operations can occur during the less optimal seasons however the risk of reduced access, significant weather downtime and substantial cost overruns is increased during these times.

(m) **Commercialisation and infrastructure access**

The Company's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all of its commercialisation plans. The ability for the Company to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.

The Company's ability to sell and market its production will be negatively impacted should it be unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of pipelines and processing facilities. Furthermore, the Company may be required to develop its own pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver oil and gas to key markets or customers, or to directly deliver gas to key markets or customers. The development of its own pipeline infrastructure will be subject to the Company obtaining relevant approvals including pipeline licences.

(n) **Competition**

Oil and gas exploration is highly competitive in Australia and Canada. The Company competes with numerous other oil and gas companies in the search for oil and gas reserves and resources. Competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company is protected from competition on permits in which it holds exclusive exploration rights, however the Company may face competition for drilling equipment and skilled labour. The Company may also face competition from competitors on permits in which it currently holds exploration rights, in the event that, as a condition of any permit held, it is required to partially relinquish certain parts of the permit. If the Company elects to re-apply for these exploration rights, there is no guarantee that the Company will be successful in its application against other competing offers.

(o) **Reliance on key personnel**

The Company's future value will depend in part on the performance of its senior management and other key personnel. The Company's progress in pursuing its exploration and evaluation programs within the time frames

and within the costs structure as currently envisaged could be adversely influenced by the loss of existing key personnel. Whilst the Company has taken steps to secure appropriately qualified senior management, the competition for qualified personnel in the oil and gas industry is notable and there can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The impact of a loss of key staff would be dependent upon the quality and timing of the employee's replacement.

Although the Company's key personnel have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and developing oil and gas projects, there is no guarantee or assurance that they will be successful in implementing the Company's objectives.

(p) **Stakeholder management**

Onshore oil and gas exploration is currently subject to increased public scrutiny. Community engagement, or the lack thereof, may have an impact on exploration and development and commercialisation opportunities for future discovered resources. The Company is placing significant focus on establishment of strong relations with the relevant Native Title Parties and Land Councils to mitigate risks in this area.

(q) **Petroleum Resources Rent Tax**

In 2012 the Australian Federal Government enacted legislation for the extension of the Petroleum Resources Rent Tax (PRRT) to onshore and offshore oil and gas projects, including Shale Gas projects.

The legislation applies a 40% tax on certain profits from oil and gas and liquids sales.

The operation of the PRRT could have a materially adverse effect on the Company to the extent that it will apply to oil and gas produced and sold by the Company from onshore production.

(r) **Land access**

The Company requires land access in order to perform exploration and development activities. Access to land can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or in Western Australia claims under the Native Title Act. The Company (or its respective JV partner) will need to enter into compensation arrangements with private landowners or occupiers for the impact on private land by the proposed activities. The Company's operations may be adversely impacted or delayed in the event of a dispute with a land owner.

(s) **Exploration work program commitments**

In Western Australia, the terms of the Company's granted Exploration Permits include minimum work program expenditure requirements and the estimated indicative expenditure associated with that work program. The actual work may be insufficient to meet those requirements. There is a risk that where the terms of the permits are not complied with, the Minister may exercise his discretion to cancel the permit or not renew the permit. The Company intends to mitigate this risk by re-evaluating its



exploration program and budget and if necessary, seeking further funding, or considering other options including, where appropriate and allowed by the terms of their issue, surrendering parts of its permits or applying to the Minister for a variation and suspension of, and exemption from compliance with, the conditions of the permit, in order to manage its minimum work program and expenditure obligations.

In Alberta Canada new licenses or leases are awarded via a government auction system every two weeks. On award of a new lease or licence the Company must drill a well on that land within the prescribed period otherwise the lease or license will be returned to the crown at the end of the term. While the Company does not assume financial liability on award of the new lease or license its land holding may be reduced at the end of the term if it is not able to undertake the drilling program as prescribed by the government.

### **8.3 General Risks**

#### **(a) Funding Risk**

The Company's ability to effectively implement its business and operational plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

#### **(b) Share market price and liquidity risk**

The price at which Shares trade cannot be accurately predicted. The trading price of Shares can be affected by general market conditions as well as factors specifically affecting the Australian resources sector. Factors that could impact the trading price that are unrelated to the Company's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries.

#### **(c) Volatility of oil and gas prices**

The Company's current and possible future revenues will be derived mainly from the sale of gas and/or liquids. Consequently, the Company's potential future earnings, profitability, and growth are likely to be closely related to the price of gas and liquids.

Historically, oil and gas prices have fluctuated in response to changes in the supply of and demand for gas and liquids, economic uncertainty, and a variety of additional factors beyond the control of the Company. Such influencing factors include economic conditions in Australia and abroad, government regulation and sanctions, the actions of the

Organization of the Petroleum Exporting Countries (OPEC), political stability in the Middle East and elsewhere and the availability of alternative fuel sources.

The Company could receive a lower price for the sale of condensate than the prevailing price for oil at the time of any future production, depending on the agreed pricing terms in relation to any that are produced.

Any substantial and extended decline in the market price of oil and gas and condensate could have an adverse effect on the Company's future revenues, profitability, cash flow from operations, carrying value of future reserves, and borrowing capacity amongst other factors. If the market price of oil and gas and condensate sold by the Company were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on the recoverability of existing reserves.

(d) **Legislative change**

Oil and gas companies (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

Other than as set out in this Prospectus, the Company is not aware of any other current or proposed material changes in relevant regulations or policy.

(e) **Exchange rate**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. If the Company achieves commercial production, the revenue from its products may be denominated in Australian dollars or a foreign currency. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(f) **Labour**

The Company will require skilled workers and engineers in order to operate its activities. The inability to secure the necessary labour resources, industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

(g) **Insurance arrangements**

Oil and gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fires, explosions, blowouts, gas releases and spills which could result in property or environmental damage and personal injury. The Company intends to ensure that

insurance is maintained in accordance with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims.

(h) **Unforeseen expenses**

Whilst the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses or increases to existing expenditure plans were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

#### **8.4 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 Company's securities.

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## **9. ADDITIONAL INFORMATION**

### **9.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **9.2 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a 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.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
23/07/2018	Quarterly Activities and Cashflow Report
26/06/2018	Whitebark Takes Control of Warro
20/06/2018	Gold Coast Investors Conference Presentation
6/06/2018	Duvernay Shale Update
30/05/2018	Whitebark Energy Operational Update
24/05/2018	Notice to WBE Shareholders - TSVM
2/05/2018	Gilby Acquisition Closed
27/04/2018	Quarterly Activities & Cashflow Report
3/04/2018	Whitebark Webinar Video
27/03/2018	Whitebark Webinar Presentation
26/03/2018	Reserves Update - 184% Increase in 2P Reserves
21/03/2018	Investor Webinar
21/03/2018	Acquisition Approved
13/03/2018	Half Yearly Report and Accounts
5/03/2018	First Acquisition for 2018
2/03/2018	Trading Halt
26/02/2018	NWE: NWE Xanadu 3D Seismic Survey
26/02/2018	Xanadu 3D Seismic Survey to be Acquired in Q2
30/01/2018	Quarterly Activities and Cashflow Report
20/12/2017	First Half 2018 Work Program Finalised
19/12/2017	NWE: Jingemina Oil Field Restart
7/12/2017	Canadian Production Increases by 60%
28/11/2017	Appendix 3B
23/11/2017	Placement - Appendix 3B
23/11/2017	Issue of Cleansing Prospectus
16/11/2017	Results of Annual General Meeting
15/11/2017	Share Placement Raises \$1,850,000

Date	Description of Announcement
14/11/2017	TEG: Xanadu Discovery Update
14/11/2017	NWE: Xanadu Discovery Update
13/11/2017	Trading Halt
9/11/2017	Canadian Acquisitions Consolidate Paddle River Area
6/11/2017	Change of Director's Interest Notice - Amended
1/11/2017	Warro Field would benefit from West-East Gas Pipeline
30/10/2017	WBE September 2017 Quarterly Activity Report & 5B
24/10/2017	Drilling Success Driving Production Growth
16/10/2017	WBE Notice of AGM - 16 November 2017
11/10/2017	Further Success from Drilling Program
10/10/2017	NWE: Xanadu Project Update
29/09/2017	WBE Corporate Governance Statement & 4G
29/09/2017	Whitebark Energy Ltd Annual Report 2017

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

The announcements are also available through the Company's website [www.whitebarkenergy.com](http://www.whitebarkenergy.com)

### 9.3 Market price of shares

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

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

Highest	\$0.009	24 April 2018
Lowest	\$0.006	13 June - 31 July 2018
Last	\$0.006	31 July 2018

### 9.4 Material Contracts

#### 9.4.1 Lead Manager Mandate

The Company and CPS Capital Group Pty Ltd have entered into a lead manager mandate pursuant to which CPS will act as the lead manager to the Offer (in addition to its role as Underwriter) (**Mandate**). No additional fee, other than those set out in Section 9.4.2 below, is payable under the Mandate.

The Mandate contains indemnities and warranties by the Company to CPS, otherwise the Mandate contains terms consistent with an engagement for the role being played by CPS under the Mandate.

#### 9.4.2 Underwriting Agreements

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to partially underwrite the Offer for

275,000,000 Shares and 275,000,000 Options (**Underwritten Securities**) to raise \$1,100,000 (**Underwritten Amount**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter the following fees under the Underwriting Agreement:

- (a) 20,000,000 New Options;
- (b) \$60,000;
- (c) 1% of the total amount raised under the Offer;
- (d) 5% of the Underwritten Amount; and
- (e) 5% of any Shortfall placed by the Underwriter beyond the Underwritten Amount.

Where possible, the Underwriter may take some or all of its fees in Securities issued under the Shortfall.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (f) the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (g) the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (h) the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (i) ASX has advised the Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the Shortfall Notice Deadline Date set out in the Underwriting Agreement;
- (j) the price of the Offer is greater than the volume weighted average market price for Shares as quoted by the ASX calculated over three trading days prior to allotment of new Shares;
- (k) either:
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause (w)(iv) below, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;
- (l) it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (m) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (n) the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (o) any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (p) an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (q) ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act;
- (r) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (s) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (t) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or



amended in a manner unacceptable to the Underwriter acting reasonably;

- (u) an Event of Insolvency occurs in respect of the Company;
- (v) a director or senior manager of the Company is charged with an indictable offence;
- (w) subject to the event having a material adverse effect, upon the occurrence of any of the following events:
  - (i) default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iii) a material contravention by the 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;
  - (iv) an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (v) it transpires that any of the due diligence results or any part of the verification materials were false, misleading or deceptive or that there was an omission from them;
  - (vi) a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
  - (vii) without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
  - (viii) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - (ix) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or

fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;

- (x) a Prescribed Occurrence as defined in the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
- (xi) a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- (xii) litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against the Company, other than any claims foreshadowed in the Prospectus;
- (xiii) there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xiv) there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xv) a force majeure affecting the Company's business or any obligation under this Agreement lasting in excess of 7 days occurs;
- (xvi) the Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xvii) the Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of this Agreement;
- (xviii) any of the contracts is terminated or substantially modified;
- (xix) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- (xx) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 9.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Charles Morgan	62,100,294	20,000,000 <sup>1</sup>	31,050,147	\$124,200
David Messina	10,362,000	52,000,000 <sup>1</sup>	5,181,000	\$20,724
Stephen Keenihan	72,947,334	28,000,000 <sup>1</sup>	36,473,667	\$145,895

<sup>1</sup> Unlisted options exercisable at 1.5 cents on or before 31 May 2021

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In

addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed for year end 30 June 2019 <sup>1</sup>	Year end 30 June 2018 <sup>2</sup>
Stephen Keenihan	\$120,000	\$174,400
Charles Morgan	\$75,000	\$91,000
David Messina <sup>5</sup>	\$430,000	\$427,517

**Notes:**

1. Proposed remuneration for the financial year ending 30 June 2018 has been estimated based upon contractually agreed hourly rates and fees accrued as at the date of this Prospectus.
2. Comprising fees and salary.
3. As set out above, Mr Messina has agreed to off-set his salary for July, August and September 2018 against his Entitlement and sub-underwriting commitment. The remuneration for estimated for 2019 includes the cash component of \$330,000 and equity of \$100,000.

## 9.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$50,860 (excluding GST and disbursements) for legal services provided to the Company.

CPS Capital Group Pty Ltd has acted as the lead manager and underwriter of the Offer. The Company estimates it will pay CPS Capital Group Pty Ltd approximately \$160,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has not received any fees from the Company.

## **9.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) CPS Capital Group Pty Ltd has given its written consent to being named as the lead manager and underwriter of the Offer in this Prospectus. CPS Capital Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## **9.8 Expenses of the offer**

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$144,487 (excluding GST) if fully subscribed and \$112,420 (excluding GSTs) if only the minimum underwritten amount is raised and are expected to be applied towards the items set out in the table below:

	\$	\$
ASIC fees	3,206	3,206
ASX fees	12,714	17,238
Share registry fees	10,000	10,000

Underwriting Fees	62,500	99,043
Legal and professional fees	10,000	10,000
Printing and distribution	14,000	14,000
<b>Total</b>	<b>112,420</b>	<b>144,487</b>

## 9.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9316 9100 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.whitebarkenergy.com](http://www.whitebarkenergy.com).

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

## 9.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

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

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

## 9.12 Privacy Act

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

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

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

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

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

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**10. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**David Messina**  
**Director**  
**For and on behalf of**  
**WHITEBARK ENERGY LIMITED**



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## 11. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application** means an application to subscribe for Shares under this Prospectus.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**Application Monies** means money submitted by Applicants in respect of Applications.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

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

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

**Broker Offer** means the offer of the New Options to the Underwriter on the terms set out in section 5.17.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Whitebark Energy Limited (ACN 079 432 796).

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

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

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

**Eligible Shareholder** means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**New Options** means the Options issued on the terms set out in Section 7.2.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

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

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 5.16 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

**Underwriter** means CPS Capital Group Pty Ltd (ACN 088 055 636).

**WST** means Western Standard Time as observed in Perth, Western Australia.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Whitebark Energy Limited

ABN

68 079 432 796

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1	+Class of +securities issued or to be issued	(1) Ordinary fully paid shares (2) Quoted options (3) Quoted Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	(1) 495,215,502 (2) 495,215,502 (3) 20,000,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(1) Not applicable (2) and (3) Quoted options exercisable at \$0.01 each and an expiry date of 31 August 2020.

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(1) Yes, the shares will rank equally in all respects from the date of issue with the existing class of quoted securities on issue.</p> <p>(2) and (3) No, new class of quoted options. Full option terms are set out in the Prospectus. Shares issued on exercise of options will rank equally with other fully paid ordinary shares on issue.</p>
5	Issue price or consideration	<p>(1) \$0.004 per share.</p> <p>(2) The options were issued for no consideration.</p> <p>(3) Part consideration to underwriter.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>See section 5.1 of Prospectus dated 1 August 2018.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>17 November 2017</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>None</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>None</p>

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	(1) 495,215,502 (2) 495,215,502 (3) 20,000,000
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 53,649,417 Rule 7.1A – Nil  Remaining capacity is subject to finalisation of partially underwritten entitlement issue
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	30 August 2018

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<p>Up to: 1,485,646,506</p> <p>Up to: 515,215,502</p> <p>Options exercisable at \$0.01 each on or before 31 August 2020.</p> <p>Note: Entitlement issue is partially underwritten</p>

+ See chapter 19 for defined terms.

	Number	+Class
9	11,000,000	Unquoted options exercisable at \$0.015 each on or before 1 April 2021.
	100,000,000	Unquoted options exercisable at \$0.015 each on or before 31 May 2021
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Not applicable	

## Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	(1) 1 for 2 (2) 1 for 1 free attaching.
14	+Class of +securities to which the offer relates	(1) Ordinary fully paid shares. (2) Quoted options (new class)
15	+Record date to determine entitlements	7 August 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.
17	Policy for deciding entitlements in relation to fractions	Rounding up

18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	24 August 2018
20	Names of any underwriters	CPS Capital Group Pty Ltd
21	Amount of any underwriting fee or commission	See Section 8.3 of the Prospectus dated 1 August 2018
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	9 August 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	2 August 2018
28	Date rights trading will begin (if applicable)	6 August 2018
29	Date rights trading will end (if applicable)	17 August 2018

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+ See chapter 19 for defined terms.

- |    |   |  |
|----|---|--|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                            | Security holders can contact their stockbroker or CPS Capital Group Pty Ltd and refer to the details provided in the Prospectus and the Entitlement and Acceptance Form. |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Security holders can contact their stockbroker or CPS Capital Group Pty Ltd and refer to the details provided in the Prospectus and the Entitlement and Acceptance Form. |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?                    | n/a.   |
| 33 | +Issue date   | 30 August 2018   |

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of +securities  
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

**[NOTE WE WILL PROVIDE ADDITIONAL INFORMATION IN RELATION TO THE LISTED OPTIONS POST OFFER TO ENABLE QUOTATION]**

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders



- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- |    |   |                |
|----|---|----------------|
| 38 | Number of +securities for which +quotation is sought  | Not applicable |
| 39 | +Class of +securities for which quotation is sought   | Not applicable |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | Not applicable |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>  | Not applicable |

+ See chapter 19 for defined terms.

42 Number and +class of all  
+securities quoted on ASX  
(including the +securities in clause  
38)

Number	+Class

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date 1 August 2018

Company secretary

Print name:

Kevin Hart

== == == == ==

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	835,264,337
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	835,264,337

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”,	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	125,289,651
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>23 November 2017 Placement: 70,640,234 ordinary shares 27 November 2017: 1,000,000 ordinary shares</p>
“C”	<b>71,640,234</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	125,289,651
<p><b>Subtract</b> “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	71,640,234
<b>Total</b> [“A” x 0.15] – “C”	<p><b>53,649,417</b></p> <p><i>Note: this is the remaining placement capacity under rule 7.1 (subject to completion of the partially underwritten entitlement issue)</i></p>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	835,264,337
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	83,526,433
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	23 November 2017 Placement: 83,526,433 ordinary shares
<b>“E”</b>	83,526,433

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	83,526,433
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	83,526,433
<b>Total</b> [“A” x 0.10] – “E”	<b>Nil</b> <i>Note: this is the remaining placement capacity under rule 7.1A (subject to completion of the partially underwritten entitlement issue)</i>