

BPH ENERGY LIMITED
ACN 095 912 002

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two (2) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.015 (1.5 cents) per Share to raise up to \$2,419,346 (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free attaching listed Option (**New Option**) for every two (2) Shares subscribed for and issued (**Offer**).

The Offer will not be underwritten.

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

David Breeze
Chairman and Managing Director

Tony Huston
Non-Executive Director

Charles Maling
Non-Executive Director

Company Secretary

David Breeze

Registered Office

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NORTH PERTH WA 6006

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ASX Code

BPH

Share Registry*

Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

HLB Mann Judd
Level 4, 130 Stirling 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.

2. TIMETABLE

Event	Date
Announcement of Offer	Tuesday, 28 July 2020
Lodgement of Prospectus with the ASIC	Tuesday, 28 July 2020
Lodgement of Prospectus & Appendix 3B with ASX	Tuesday, 28 July 2020
Ex date	Friday, 31 July 2020
Record Date for determining Entitlements	Monday, 3 August 2020
Prospectus despatched to Shareholders & Company announces despatch has been completed	Thursday, 6 August 2020
Last day to extend Closing Date	Wednesday, 12 August 2020
Closing Date*	Monday, 17 August 2020
Securities quoted on a deferred settlement basis from market open	Tuesday, 18 August 2020

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 28 July 2020 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 Securities 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 Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

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.

3.1 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation, or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

3.2 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 the Company, the Directors and the Company's management.

The Company cannot and does 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.

The Company has 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 the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risks factors are set out in Section 3.3 below and specifically in Section 7.

3.3 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities 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 Securities pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
COVID-19	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.	Section 7.2(a)
Additional Requirements for Capital and Going Concern	The Company's half yearly financial report for the year ended 31 December 2019 includes a note to the financial statements on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' paragraph included in the financial report, the Directors have stated that they have reviewed their expenditure and commitments and have implemented methods of costs reduction. The directors are satisfied that, the going concern basis of preparation is appropriate. The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the	Section 7.2(b)

Risk	Description	Reference in Prospectus
	event future costs exceed the Company's estimates and to effectively implement its business and operations 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.	
Development and commercialisation of technologies	Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been, or will be, sufficient.	Section 7.3(a)
Research and development	The Company can make no representation that any of its research into or development of the technologies will be successful, that the development milestones will be achieved, or that the Technologies will be developed into products that are commercially exploitable.	Section 7.3(b)
Oil and gas industry risks	The Company has a 22.3% interest in Advent Energy Ltd (Advent). Risks associated with this significant investment include but are not limited to risks associated with failure to discover an economic reserve or successfully produce from a reserve, fluctuations in oil and gas prices, no guarantee of permit renewals or granting of production licences, all of which could have a material adverse effect on the Company's investment.	Section 7.3(c)
Nature of the Company's existing investments	The Company's existing investments as at 30 June 2020 include its equity investment in Advent with an unaudited carrying value of \$2.16 million, a 20% interest in MD Systems with an unaudited carrying value of \$0.43 million and a 16.1% interest in Cortical Dynamics Ltd. The Company can make no representations that any of these projects will be successful, that the Company's development milestones will be achieved or that it will develop products that are commercially exploitable.	Section 7.3(d)
Potential for significant dilution	Upon implementation of the Offer, assuming all Entitlements are accepted the number of Shares in the Company will increase from 403,224,318 currently on issue to 564,501,546. This means that each Share will represent a significantly lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the	Section 7.2(e)

Riska	Description	Reference in Prospectus
	completion of the Offer being implemented and the Directors do not make any representation as to such matters.	

3.4 Directors Interests in Securities

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	Unlisted Options	Entitlement	\$
David Breeze ¹	33,209,795	nil	13,283,918	\$199,259
Tony Huston ²	6,142,000	200,000	2,456,800	\$36,852
Charles Maling ³	2,146,454	1,400,000	858,582	\$12,879

Notes:

- Includes 30,382,207 Shares held both directly and indirectly by Trandcorp Pty Ltd and 2,711,280 Shares held indirectly by Grandbridge Limited, all entities controlled by Mr David Breeze.
- 200,000 unlisted options exercisable at \$0.20 per option on or before 30/11/22.
- 200,000 unlisted options exercisable at \$0.20 per option on or before 30/11/22 and 1,200,000 unlisted options exercisable at \$0.02 per option on or before 30/11/24.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements. David Breeze, Tony Huston and Charles Maling being the Directors of the Company intend to take up Shortfall Securities according to the arrangements set out in Section 4.8.

3.5 Details of substantial holders

As at 28 July 2020, 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	%
David Breeze, Trandcorp Pty Ltd, Grandbridge Limited ¹	33,209,795	8.24%

Notes:

- Comprising of:
 - 116,308 Shares held by David Breeze;
 - 30,382,207 Shares held by Trandcorp Pty Limited; and
 - 2,711,280 Shares held by Grandbridge Limited.

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

3.6 Underwriting

The Offer is not underwritten.

3.7 Management Agreement

The Company and Grandbridge Securities Pty Ltd (a wholly owned subsidiary of Grandbridge Limited) (**Grandbridge**) have entered into a management agreement dated on or about 20 November 2017 and as varied on 23 July 2020, pursuant to which Grandbridge will provide project management services and preparation and co-ordination of the Offer. The Company will pay Grandbridge a management fee of 2% on the total funds raised. Mr David Breeze is a director of Grandbridge.

3.8 Effect on control of the Company

Trandcorp Pty Ltd (**Trandcorp**), David Breeze (Director) and Grandbridge Limited are substantial shareholders of the Company. At the date of this Prospectus, Grandbridge Limited holds 0.67% in its own right and Trandcorp holds 7.53% in its own right and together with David Breeze's relevant interest (0.04%), the total voting power of Grandbridge Limited, Trandcorp and David Breeze (**Mr Breeze and Associates**) in the Company is 8.24%. Mr Breeze has a voting power of 32.72% in Grandbridge Limited and 100% in Trandcorp.

Mr Breeze and Associates' present relevant interest, voting power and changes under several scenarios are set out in the table below.

Event	Shares held by Mr Breeze and Associates	Voting power of Mr Breeze and Associates
Date of Prospectus	33,209,795	8.24%
• 100% subscribed	46,493,713	8.24%
• 75% subscribed	46,493,713	8.87%
• 50% subscribed	46,493,713	9.61%
• Mr Breeze and Associates' Entitlement is taken up and no other shareholders subscribe under the Offer	46,493,713	11.16%

It is unlikely that no shareholders, other than Mr Breeze and Associates, take up their Entitlements under the Offer. The Entitlements taken up and therefore the voting power of Mr Breeze and Associates will be reduced by a corresponding amount for the amount of Entitlements under the Offer taken up by the other shareholders.

In addition, Mr Breeze and Associates may take up a maximum of 38,356,333 Shares under the Shortfall Offer. This would take his relevant interest to 84,850,046 Shares and assuming only Mr Breeze and Associates took up its Entitlement and his Shortfall allocation and there are no other subscriptions, his maximum voting power would increase to 18.65%.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 28.57% (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	10,000,000	2.48%	4,000,000	10,000,000	1.77%
Shareholder 2	5,000,000	1.24%	2,000,000	5,000,000	0.89%
Shareholder 3	1,500,000	0.37%	600,000	1,500,000	0.27%
Shareholder 4	400,000	0.10%	160,000	400,000	0.07%
Shareholder 5	50,000	0.01%	20,000	50,000	0.01%
Total	403,224,318		161,289,728		564,514,046

Note:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the 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.

3.9 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:

	Price	Date
Highest	\$0.027	28 July 2020
Lowest	\$0.008 ¹	22 April 2020
Last	\$0.023	24 July 2020

Note:

- Prior to 1 for 10 Consolidation as approved by Shareholders.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) Shares for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.015 per Share (together with one (1) free attaching New Option for every two (2) Shares subscribed for and 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 no existing Options are exercised) a maximum of 161,289,728 Shares and 80,644,864 New Options will be issued pursuant to this Offer to raise up to \$2,419,346. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus, the Company has 7,600,000 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 5.5 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. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2. The Company will apply for quotation of the New Options.

4.2 Placement Options Offer

As announced on 24 July 2020, the Company issued 29,987,500 Shares at an issue price of \$0.015 (1.5 cents) per Share to sophisticated and professional investors to raise a total of \$449,813 (**Placement**), and has agreed to grant, subject to the receipt of Shareholder approval, one (1) free attaching Option for every two (2) Shares subscribed for and issued (**Placement Options**).

Under this Prospectus, the Company will issue the Placement Options to allow the Placement Options, and Shares issued on the exercise of any of the Placement Options, to be on-sold within 12 months of their issue without a disclosure document or 'cleansing statement' being issued for those Placement Options or Shares, that otherwise would be required under the Corporations Act to on-sell those Placement Options or Shares within 12 months of their issue (**Placement Options Offer**).

The Placement Options offered pursuant to the Placement Options Offer are issued on the terms and conditions set out in Section 6.2.

Shares issued upon exercise of any Placement Options will be fully paid and will rank equally in all respects with the Company's existing Shares on issue.

No funds will be raised from the issue of the Placement Options pursuant to the Placement Options Offer as the Placement Options are free attaching to Shares subscribed for under the Placement.

The Placement Options Offer is subject to the receipt of Shareholder approval at the General Meeting of the Company to be convened as soon as possible. The Company will provide further updates in relation to the convening of the General Meeting.

If Shareholder approval is not received, the Placement Options Offer will not proceed.

4.3 Minimum subscription

There is no minimum subscription.

4.4 Acceptance

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

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) arrange payment for the amount indicated on the Entitlement and Acceptance Form by:
 - (A) BPAY® or EFT in accordance with Section 4.7; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.6; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) arrange payment for the appropriate application monies (at \$0.015 per Share) by:
 - (A) BPAY® or EFT in accordance with Section 4.7; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.6; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Taking up all your Entitlement and applying for Shortfall Shares

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 Application Form which accompanies this Prospectus or by completing a BPAY® payment in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

4.6 Payment by cheque/bank draft

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

Your completed Application Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.7 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

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

4.8 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 will be \$0.015, being the price at which Shares have been offered under the Offer.

The Company will allow Eligible Shareholders to apply for Shortfall Securities under the Shortfall Offer subject to such applications being received by the Closing Date. Details on how to apply for Shortfall Securities is set out in Section 4.5.

The Board intends to allocate Shortfall Securities as follows:

- (a) subject to the receipt of Shareholder approval, up to 38,356,333 Shares under the Shortfall to David Breeze (amount of \$575,345), up to 59,600 Shares to Tony Huston (amount of \$894) and up to 1,632,533 Shares to Charles Maling (amount of \$24,488), all of these parties being directors of the Company and who will subscribe for the Shortfall as an offset of debts owing to them as set out in Section 5.3. The amount to be issued to the Directors out of the Shortfall will however be capped at 50% of the Shortfall (**Director Allocations**); and
- (b) the balance of 50% of the Shortfall to Eligible Shareholders who apply for an excess of their full Entitlement; and then
- (c) to other parties identified by the Directors if there are insufficient applications for the Shortfall, which may include parties not currently Shareholders of the Company.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders out of the total Shortfall allocated to Eligible Shareholders, other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total of the Shortfall allocated to Eligible Shareholders, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings at the Directors discretion.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer and as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of additional Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Securities under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

The Company confirms that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

4.9 ASX listing

Application for Official Quotation of the Securities 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 Securities 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 Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription under this Prospectus.

4.10 Issue of Securities

Securities 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.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares 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 Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities 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 Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.11 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 Securities 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 Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

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

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. 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.

4.12 Enquiries

Any questions concerning the Offer should be directed to David Breeze, Chairman on +61 8 9328 8366.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$2,419,346. The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Investment in Advent Energy ¹	2,000,000	82.67%
2.	Maximum Offset entitlement	248,990	10.29%
3.	Other investments	77,165	3.19%
4.	Expenses of the Offer ²	93,190	3.85%
	Total	\$2,419,346	100%

Notes:

- The funds shall be allocated more particularly as follows:
 - \$460,000 towards drilling and contract services;
 - \$240,000 towards well planning and engineering; and
 - \$1,300,000 towards drilling services and equipment.
- Refer to Section 8.6 for further details relating to the estimated expenses of the Offer. This amount includes fees payable to Grandbridge, as part consideration for Grandbridge providing Lead Manager services to the Company.

In the event that the Company raises less than the full subscription, the funds will be applied firstly to the expenses of the Offer then pro-rata for the remaining items.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from its ongoing business activities and operations.

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.

5.2 Effect of the Offer

The principal effect of the Offers, assuming full subscription under the Placement and all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- increase the cash reserves by \$2,077,167 (after deducting fee and loan offsets noted in Section 5.3 below and the estimated expenses of the Offer) immediately after completion of the Offer;
- increase the number of Shares on issue from 403,224,318 as at the date of this Prospectus to 564,514,046 Shares; and
- increase the number of Options on issue from 22,593,750 as at the date of this Prospectus to 103,238,614 Options following completion of the Offer.

5.3 Offset Arrangements

The Company has agreed to offset debts owed to Mr David Breeze. Mr Breeze, a related party of the Company by virtue of being a Director and is currently owed funds by the Company in relation to outstanding director fees. As at 30 June 2020, the unaudited total amount owing to Mr Breeze and his associated entities by the Company equates to \$774,604. The Company and Mr Breeze have agreed that part of the outstanding fees shall be applied towards the Entitlement of these entities so that Mr Breeze and his associates may be permitted to take up this Entitlement being to the value as set out in Section 3.8 and as part of his Director Allocation of the Shortfall.

The Company has agreed to offset debts owed to Mr Tony Huston. Mr Huston, a related party of the Company by virtue of being a Director, is currently owed funds by the Company in relation to outstanding director fees. As at 30 June 2020, the unaudited total amount owing to Mr Huston by the Company equates to \$37,746. The Company and Mr Huston have agreed that part of the outstanding fees may be applied towards his Entitlement being to the value as set out in Section 3.8 and as part of his Director Allocation of the Shortfall.

The Company has agreed to offset debts owed to Mr Charles Maling. Mr Maling, a related party of the Company by virtue of being a Director, is currently owed funds by the Company in relation to outstanding director fees. As at 30 June 2020, the unaudited total amount owing to Mr Maling by the Company equates to \$37,367. The Company and Mr Maling have agreed that part of the outstanding fees may be applied towards his Entitlement being to the value as set out in Section 3.8 and as part of his Director Allocation of the Shortfall.

5.4 Pro-forma balance sheet

The unaudited management accounts balance at 30 June 2020 and the unaudited pro-forma management accounts balance sheet as at 30 June 2020 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 and no Options are exercised vest 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 management accounts 30 June 2020	Unaudited management accounts proforma 30 June 2020
CURRENT ASSETS	\$	\$
Cash ¹	257,739	2,334,906
Trade and other receivables	33,712	33,712
Financial assets	43,564	43,564

	Unaudited management accounts 30 June 2020	Unaudited management accounts proforma 30 June 2020
Other assets	3,895	3,895
TOTAL CURRENT ASSETS	338,910	2,416,077
NON-CURRENT ASSETS		
Financial assets	250,000	250,000
Investments in associates	2,580,241	2,580,241
TOTAL NON-CURRENT ASSETS	2,830,241	2,830,241
TOTAL ASSETS	3,169,151	5,246,318
CURRENT LIABILITIES		
Trade and other payables	1,536,834	1,304,112
Financial liabilities	121,085	104,817
TOTAL CURRENT LIABILITIES	1,657,919	1,408,930
TOTAL LIABILITIES	1,657,919	1,408,930
NET ASSETS	1,511,232	3,837,388
EQUITY		
Issued capital	46,716,896	49,043,052
Reserves	526,361	526,361
Accumulated Losses	(45,571,667)	(45,571,667)
Non-controlling interest	(160,358)	(160,358)
TOTAL EQUITY	1,511,232	3,837,388

Notes:

1. Assumes full subscription. Refer to Section 8.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

5.5 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 is set out below.

Shares	Number
Shares currently on issue	403,224,318
Shares offered pursuant to the Offer	161,289,728

Shares	Number
Total Shares on issue after completion of the Offer	564,514,046

No Shares on issue are subject to escrow restrictions, either voluntary or ASX imposed.

Options	Number
Unquoted exercisable at \$0.20 expiring 30/11/2020	200,000
Unquoted exercisable at \$0.20 expiring 30/11/2020	200,000
Unquoted exercisable at \$0.20 expiring 30/11/2022	400,000
Unquoted exercisable at \$0.02 expiring 20/06/2024	3,000,000
Unquoted exercisable at \$0.02 expiring 09/08/2024	2,000,000
Unquoted exercisable at \$0.02 expiring 30/11/2024	1,200,000
Unquoted exercisable at \$0.02 expiring 20/06/2024	600,000
New Options offered pursuant to the Offer¹	80,644,864
Placement Options Offer^{2,3}	14,993,750
Total Options on issue after completion of the Offer and assuming all Shareholder approvals received at the General Meeting	103,238,614

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of Shares offered under the Offer.
2. The issue of the Placement Options is subject to receipt of the prior approval of Shareholders at the General Meeting to be held after the Record Date.
3. Refer to Section 4.2 for the details of the Options to be issued pursuant to the Placement Options Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 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.

(a) General meetings

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

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

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for 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).

(c) 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.

(d) **Winding-up**

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

(e) **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.

(f) **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.

(g) **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.

(h) **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.

(i) **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.

6.2 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date which is no later than 29 July 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New 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 New Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 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 New 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 New Options.

If a notice delivered under paragraph (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) **Restrictions on exercise**

The Optionholder must exercise New Options in multiples of 100,000 or other multiple's permitted by the Board.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **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 New Options without exercising the New Options.

(l) **Change in exercise price**

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

(m) **Quoted**

The Company will apply for quotation of the New Options on ASX.

(n) **Transferability**

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

7. RISK FACTORS

7.1 Introduction

The Securities 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 Securities 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 Securities.

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

7.2 Company specific

(a) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on potential revenue channels and any adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) **Going Concern Additional requirements for capital**

The Company's half yearly report for the period ended 31 December 2019 (**Half Yearly Report**) includes a note to the financial statements on the financial condition of the Company and the existence of items of material uncertainty about the Company's ability to continue as a going concern. The report notes that:

The entity has incurred a net loss before tax for the period ended 31 December 2019 of \$754,862 (2018: profit of \$428,527) and has a working capital deficit of \$1,131,455 as at 31 December 2019 (June 2019: \$941,825). Included in other payables are amounts payable to the current directors of the company of \$786,385 (June 2019: \$812,783).

The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors, as a part of their cash monitoring, have voluntarily suspended cash payments for their director's fees to conserve cash resources and they have confirmed that they will not call for repayment of their balances of \$786,385 for a period of 12 months or until the Company is financially able to support these payments. Subsequent to year end Grandbridge Limited has confirmed that the \$121,085 loans provided to the consolidated entity at 31 December 2019 will not be called upon for repayment if the BPH directors are of the opinion that such an action would compromise BPH's financial solvency.

The directors have prepared cash flow forecasts, including potential capital raisings, which indicate that the consolidated entity should have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts, including directors voluntarily suspending cash payments for their director fees, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the consolidated entity not be successful in raising additional funds through the issue of new equity, should the need arise there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

(c) **Loans and Company Specific Investments**

The Half Year Report further indicates a material that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

As of 1 January 2017, a judgement was made that, despite owning 27% of Advent, the Company no longer exercised significant influence over Advent and it ceased to be treated as an associate entity from that date. In particular, the Company was not involved in the operational decision making of Advent and did not have access to its operational and financial records. If an entity holds, directly or indirectly, twenty per cent or more of the voting power of an investee it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

On 6 August 2019 the Company entered into a Deed of Settlement and Release with Advent, MEC, GBA, Trandcorp Pty Ltd (**Trandcorp**) and Mr David Breeze and other relevant parties. As a condition of this Deed it was agreed that Messrs Matthew Battrick and Tobias Foster would appoint Messrs Steven James, Tony Huston and Thomas Fontaine as directors of Advent, and that Messrs Matthew Battrick and Tobias Foster would then resign from the Board of Advent. The incoming directors have since confirmed and acknowledged Mr David Breeze as a duly elected director of Advent. The existence of significant influence by an BPH over Advent from the date of the Deed is evidenced by Mr David Breeze being the Managing Director of both BPH and Advent, MEC no longer have a MEC Board position, and, if at any time before 23 July 2021 Advent has less than 51 members then MEC, who currently holds 49% of Advent will, upon written request by BPH, execute an irrevocable proxy in favour of BPH in respect of all business to be considered at any meeting of members of Advent.

As a consequence the Company regained significant influence over Advent and Advent has once again been recognised as an associate of BPH from 6 August 2019.

In the June 2018 year Advent's management at that time assessed capitalised costs for impairment by reference to the value implied for the PEP 11 permit by virtue of a conditional farmin agreement entered into with RL Energy Pty Ltd. Based on this assessment the asset was considered to be impaired and an adjustment to the fair value was booked at 30 June 2018. This farmin agreement was terminated on 17 September 2019 and therefore the write down of \$18,780,680 booked to the fair value at 30 June 2018 was pre-emptive. In the current period the Advent directors have assessed the valuation of the PEP 11 permit against what they consider a comparable transaction with the result that the 2018 year PEP 11 impairment has been reversed to the extent of \$6,882,247 resulting in the \$1,486,099 share of an associate profit recognized by BPH in the half year. Notional goodwill of \$933,354 was not brought to account on recognition of Advent as an associate again from 6 August 2019.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Asset Energy Pty Ltd has invested over \$25 million in the PEP11 title in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1 search of these permits are at risk.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations 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.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. 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.

(d) **ASX Re-compliance**

Shareholders should note that any future investment by the Company in medical cannabis will be reviewed by ASX and the Company may be required to re-comply with chapters 1 and 2 of the ASX Listing Rules.

(e) **Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Shares in the Company will increase from 403,224,318 currently on issue to 564,501,546. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

(f) **The Company may face challenges managing the planned growth of its business**

A strategy of the Company is to grow annual cash flows through the sale of COVID-19 related products. The Directors believe significant future growth may require expansion of current commercial production and/or research facilities. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on all areas of the business and if the Company group is unable to manage its expansion effectively, its business and financial results could suffer.

Further, there can be no assurance the Company will be able to implement its strategy for growth successfully. The Company may incur significant costs attempting to implement its growth strategies and initiatives and the management could be diverted away from existing business functions in its attempts to implement those strategies and initiatives. This could lead to the Company suffering reputational damage and a loss of support from customers and could have a material adverse effect on the business and cash flows, business prospects, financial condition and results of its operations.

7.3 Industry Specific

(a) **Development and commercialisation of technologies**

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of biotechnology research and development. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can

lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

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

Although the Company is not aware of any third party interests in relation to the technologies rights of the technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries, and if any disputes arise, they could adversely affect the Company.

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

(b) **Research and development**

The Company can make no representation that any of its research into or development of the Technologies will be successful, that the development milestones will be achieved, or that the Technologies will be developed into products that are commercially exploitable.

There are many risks inherent in the development of biotechnology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons

(c) **Oil & gas industry risks**

Significant investment: the Company has a 22.3% interest in Advent Energy Ltd (**Advent**). Risks associated with this significant investment include:

- (i) **Illiquid investment:** as Advent is an unlisted entity, there is a risk that there will not be a ready market for the Company to sell its Advent Energy shares.
- (ii) **Oil and gas exploration:** the business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. A failure to discover an economic reserve, or to successfully produce from such a reserve, will adversely affect Advent Energy's performance and have a resulting effect on the value of the Company's investment in Advent Energy.

- (iii) **Oil and gas price volatility:** fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas, may have a material adverse effect on Advent's business and therefore the value of the Company's investment in Advent Energy.
- (iv) **Exploration and production licences:** Advent's operations are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a production licence will be granted with respect to exploration territory. There can also be no assurance that any exploration permit will be renewed or if so, on what terms.

These licences place a range of past, current and future obligations on Advent. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract. These may then affect the Company's investment in Advent Energy.

- (v) **Expansion targets and operational delays:** There can be no assurance that Advent will be able to complete any development of its properties on time or to budget, or that the current personnel, systems, procedures and controls will be adequate to support Advent's operations. Any failure of management to identify problems at an early stage could have an adverse impact on Advent's financial performance.
- (vi) **Resources, reserves and production:** The figures for oil & gas reserves and resources presented in this Prospectus where given are estimates and no assurance can be given that the anticipated figures will be achieved or that the indicated level of recovery will be realised. Market fluctuations in the price of oil & gas may render oil & gas reserves and resources uneconomical. Moreover, short-term operating factors relating to oil & gas reserves and resources, such as the need for orderly development of an oil & gas reservoir may cause an oil & gas operation to be unprofitable in any particular accounting period.
- (vii) **Limited operating history:** Advent may not have assets producing positive cash flow and its ultimate success may depend on its ability to generate cash flow from active oil & gas operations in the future and its ability to access equity markets for its development requirements. Advent has not made profits to date and there is no assurance that it will do so in the future. A portion of Advent's activities will be directed to the search for and the development of new oil & gas deposits. Significant capital investment will be required to achieve commercial production from Advent's existing projects and from successful exploration efforts. There is no assurance that Advent will be able to raise the required funds to continue these activities.
- (viii) **Additional financing:** Advent is required to fund its share of approved exploration expenditure on certain of the properties on which it has exploration rights, failing which Advent's exploration rights in the relevant property may be either reduced or forfeited. Advent may acquire exploration rights in other exploration

properties which may require acquisition payments to be made and exploration expenditures to be incurred. The only sources of funding currently available to Advent are through the issue of additional equity capital, project finance or borrowing. There is no assurance that Advent will be successful in raising sufficient funds to commence drilling or production operations or to meet its obligations with respect to the exploration properties in which it has or may acquire exploration rights. The Directors currently believe that Advent's working capital will not be sufficient to fund operations. Advent Energy will therefore have to seek additional financing for operations at a later date.

- (ix) **Regulatory approvals:** Advent's operations and the exploration agreements which it has entered into require approvals, licences and permits from various regulatory authorities, governmental and otherwise (including project specific governmental decrees). Such approvals, licences and permits are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required. There can be no guarantee that Advent will be able to obtain or maintain all necessary approvals, licences and permits that may be required and/or that all project specific governmental decrees and/or required legislative enactments will be forthcoming to explore for oil & gas and develop the properties on which it has exploration rights, commence construction or operation of production facilities or to maintain continued operations that economically justify the costs involved.
- (x) **Environmental factors:** Advent's operations are subject to environmental regulation (including regular environmental impact assessments and the requirement to obtain and maintain certain permits) in all the jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. Advent may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.
- (xi) **Competition:** The oil & gas exploration and production business is competitive in all of its phases. Advent competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than itself, in the search for and acquisition of exploration and development rights on attractive oil & gas properties. Advent's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that Advent will continue to be able to compete

successfully with its competitors in acquiring exploration and development rights on such properties.

- (xii) **Currency risk:** Currency fluctuations may affect the cash flow that Advent hopes to realise from its operations, as oil & gas is sold and traded on the world markets in United States dollars. Advent's costs are incurred primarily in Australian dollars and United States dollars.
- (xiii) **Uninsured risks:** Advent Energy, as a participant in exploration and mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Advent Energy may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.
- (xiv) **Market perception:** Market perception of small oil & gas exploration companies may change and this could impact on the value of the Company's holdings and impact on Advent's ability to raise further equity capital.

(d) **Nature of BPH's existing investments**

As noted above, the Company's existing investments as at 30 June 2020 include an equity investment in Advent with an unaudited carrying value of \$2.16 million and a 20% interest in MDS with a carrying value of \$0.43 million and a 16.1% interest in Cortical.

The Company can make no representations that any of these projects will be successful, that the Company's development milestones will be achieved or that it will develop products that are commercially exploitable. Further, the Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent positions of biotechnology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in medical device patents, nor their enforceability, can be predicted. There can be no assurance that any patents the Company may own or control or license now and, in the future, will afford the Company commercially significant protection of its intellectual property or its projects or have commercial application. While the Company is not aware of any third party interests in its intellectual property rights and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries and if any such disputes arise, they could adversely affect the Company.

(e) **Regulatory risk**

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the Company's financial performance and its Securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(f) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

(g) **Climate Change Risks**

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

7.4 General risks

(a) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand, industrial disruption and the evolving COVID-19 situation outlined above, may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(b) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(d) **Reliance on key management and personnel**

The Company is dependent on its management, the loss of whose services could materially and adversely affect the Company and impede the achievements of its research and development objectives. Because of the specialised nature of the Company's business, its ability to commercialise its products and maintain its research programme will depend in part upon its ability to attract and retain suitably qualified management, scientists and research people over time. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis, retain its key scientific and management personnel, or maintain its relationship with key scientific organisations.

(e) **Market conditions**

The market price of the Company's Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in biomedical development stocks in particular.

Accordingly, investors should recognise that the price of the Securities may fall as well as rise. In particular, the trading price of Shares at any given time may be higher or lower than the price paid under the Offer. Neither the Company nor the Directors warrant the future performance of the Company or any return on the Company's Securities.

(f) **Insurance**

The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, either because of the unavailability of cover or because the Directors believe the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance the Company has in place is appropriate. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

(g) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

(a) Writ

The Company is party to a Writ of summons commenced in the District Court of Western Australia in which former directors Goh Hock and Deborah Ambrosini are claiming unpaid directors' fees from the Company. The Company disputes this position and is defending such claims. On 19 November 2019, the parties to the proceedings agreed to a standstill in so far that neither party be permitted to take any further action until September 2020.

(b) Statutory Demand

As announced on 17 June 2020, Advent and Advent Energy Pty served notices of demand on MEC in respect of costs incurred by Advent and Asset but claimed by MEC in its 30 June 2018 and 30 June 2019 annual Research and Development Tax Incentive claims with the Australian Taxation Office. The claim against MEC by Advent is \$242,155.21, and by Asset \$593,343.17.

8.2 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
24/07/2020	Appendix 2A
24/07/2020	Rights Issue Update
23/07/2020	Appendix 3B
23/07/2020	Placement and Rights Issue
17/07/2020	Trading Halt
07/07/2020	PEP 11 Permit Review
03/07/2020	Cortical Patent Application
02/07/2020	Cortical Korea Conference
01/07/2020	PEP 11 Update
25/06/2020	MNR:MEC disputes claim by Advent and Asset
24/06/2020	Appendix 2A
23/06/2020	Proposed Issue of Securities - BPH
23/06/2020	Disclosure Document
22/06/2020	FDA Application BARM
19/06/2020	Licence Agreement

Date	Description of Announcement
18/06/2020	Reinstatement to Official Quotation
18/06/2020	Lifting of Voluntary Suspension
17/06/2020	Notice of Demand Served on MEC Resources Limited
11/06/2020	Extension of Voluntary Suspension
04/06/2020	Extension of Voluntary Suspension
01/06/2020	Extension of Voluntary Suspension
28/05/2020	Extension of Voluntary Suspension
28/05/2020	March 2020 Quarter Activities Report - Amended
28/05/2020	Appendix 4C March 2020 Quarter Amended
27/05/2020	Extension to Voluntary Suspension
22/05/2020	Extension to Voluntary Suspension
21/05/2020	March 2020 Quarter Activities Report
21/05/2020	Change in substantial holding
21/05/2020	Proposed issue of Securities - BPH
21/05/2020	Appendix 2A
21/05/2020	Placement
20/05/20 20	Extension to Voluntary Suspension
18/05/2020	Extension to Voluntary Suspension
15/05/2020	Extension to Voluntary Suspension
12/05/2020	Extension to Voluntary Suspension
11/05/2020	Extension to Voluntary Suspension
08/05/2020	Extension to Voluntary Suspension
07/05/2020	Extension to Voluntary Suspension
06/05/2020	Extension to Voluntary Suspension
04/05/2020	Extension to Voluntary Suspension
01/05/2020	Appendix 4C – Quarterly
30/04/2020	Trading Halt
24/04/2020	Trading Halt
24/04/2020	Pause in Trading
08/04/2020	Capital Reconstruction
27/03/2020	Results of Meeting
06/03/2020	US Life Science and Incubator Firm Invests in Cortical
04/03/2020	Trading Halt
03/03/2020	Advent Energy Limited December 2019 Annual Financial Report
02/03/2020	Half Yearly Report and Accounts
27/02/2020	Notice of General Meeting/Proxy Form
26/02/2020	Consolidation of Capital

Date	Description of Announcement
25/02/2020	Consolidation/Split – BPH
13/02/2020	Debt Conversion in Advent Energy Limited
13/02/2020	MMR: BPH ASX release 7 Feb 2020 – MEC Position & Comments
07/02/2020	Resolution of final legal matters Advent Energy
03/02/2020	Appendix 4C – quarterly
28/01/2020	PEP11 Drilling Update
28/01/2020	Patagonia Genetics
23/01/2020	Trading Halt
23/01/2020	Pause in Trade
30/12/2019	Section 708 Notice
30/12/2019	Appendix 3B
18/12/2019	Change of Director's Interest Notice
18/12/2019	Change of Director's Interest Notice
18/12/2019	Change of Director's Interest Notice
18/12/2019	Appendix 3B
13/12/2019	Supplementary Prospectus and closing date
11/12/2019	Reinstatement to Official Quotation
11/12/2019	Patagonia Genetics Update
09/12/2019	Suspension from Official Quotation
05/12/2019	Trading Halt
05/12/2019	Pause in Trading
03/12/2019	Change of Director's Interest Notice
03/12/2019	Change of Director's Interest Notice
03/12/2019	Appendix 3B
29/11/2019	Constitution
29/11/2019	Results of meeting
25/11/2019	Settlement of Litigation
22/11/2019	BPH Investee Patagonia – Leading Genetics Acquisition
18/11/2019	Amended Supplementary Prospectus
18/11/2019	Appendix 3B
18/11/2019	Supplementary Prospectus
14/11/2019	Corporate Governance Statement updated
14/11/2019	30 June 2019 Appendix 4G updated
07/11/2019	Share Purchase Plan Prospectus
01/11/2019	Cortical Dynamics Limited June 2019 Annual Financial Statements
01/11/2019	Advent Energy Limited June 2019 Annual Financial Statements

Date	Description of Announcement
01/11/2019	Appendix 4C – quarterly
01/11/2019	Corporate Governance Statement – amended
01/11/2019	Annual Report to Shareholders

ASX maintains files containing publicly available information

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.

8.3 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 Section 3.4 of this Prospectus.

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.

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	2018	2019	2020
David Breeze	\$148,000	\$148,000	\$148,000
Charles Maling	\$18,354	\$25,000	\$30,771 ¹
Tony Huston	\$25,717	\$57,000	\$55,000 ²

Notes:

1. Includes \$5,771 worth of option-based payments.
2. Includes \$10,000 of consulting fees and \$20,000 worth of share-based payments relating to the issue of Shares. The Shares have been valued at the Share price of \$0.001 at the date of issue.

8.4 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 \$15,000 (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 \$105,610.99 (excluding GST and disbursements) for legal services provided to the Company.

8.5 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; and
- (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.

8.6 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$93,190 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Full Subscription (\$)
ASIC fees	3,206
ASX fees	10,079
Manager fees	48,386
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	5,000
Total	93,190

8.7 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

Form. If you have not, please phone the Company on +61 8 9328 8366 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.bphenergy.com.au.

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

8.8 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.

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

The Company will not be issuing share or option 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.

8.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a 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 Securities, the Company may not be able to accept or process your application.

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.

9. 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.

David Breeze
Chairman
For and on behalf of
BPH ENERGY LIMITED

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

Application Monies means money paid by Applicants to subscribe for Securities under this Prospectus.

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 CHES.

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

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 BPH Energy Limited (ACN 095 912 002).

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.

General Meeting means the upcoming general meeting of Shareholders to be held for the purposes of, among other things, the passing of the issue of the Placement Option Offer.

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

Lead Manager means Grandbridge Limited or Grandbridge (as the case may be) and as set out in Section 3.7.

New Option means an Option issued on the terms set out in Sections 4.1 and 4.2.

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

Official Quotation means official quotation on ASX.

Option mean an option to acquire a Share.

Placement has the meaning given to that term in Section 4.2.

Prospectus means this prospectus.

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

Securities means Shares and/or New Options offered pursuant to the Offer.

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 4.8 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

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