

WOLF PETROLEUM LIMITED

ACN 116 249 060

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 Share for every 8.7 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per Share, together with 1 free attaching listed Option for every 1 Share subscribed for and issued (**New Option**), to raise up to \$1,516,421 (**Offer**).

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). Refer to section 8.3.2 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

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

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

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1. CORPORATE DIRECTORY

Directors

Matthew Wood
Executive Chairman

George Lkhagvadorj Tumur
Joint Chairman

Bataa Tumur-Ochir
Managing Director

Brian McMaster
Non-Executive Director

Jason Peterson
Non-Executive Director

Jargalsaikhan Dambadarjaa
Non-Executive Director

Company Secretary

Jonathan Hart

Share Registry*

Automic Registry Services
Suite 1a, Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

Telephone (Australia): +61 8 9324 2099

Facsimile: +61 8 9321 2337

Registered Office

Level 1
330 Churchill Avenue
SUBIACO WA 6008

Telephone: +61 8 9200 4428

Facsimile: +61 8 9200 4469

Email: info@wolfpetroleum.net
Website: www.wolfpetroleum.net

Solicitors

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

Lead Manager and Underwriter

CPS Capital Group Pty Ltd
Level 45, 108 St George's Terrace
PERTH WA 6000

Telephone: +61 8 9223 2222

Facsimile: +61 8 9223 2211

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	28 October 2014
Lodgement of Prospectus & Appendix 3B with ASX	28 October 2014
Notice sent to Optionholders	30 October 2014
Notice sent to Shareholders	30 October 2014
Ex date	31 October 2014
Record Date for determining Entitlements	5 November 2014
Prospectus sent out to Shareholders & Company announces this has been completed	10 November 2014
Last day to extend the Closing Date	14 November 2014
Closing Date*	19 November 2014
Securities quoted on a deferred settlement basis	20 November 2014
ASX and Underwriter notified of under subscriptions	24 November 2014
Issue date	26 November 2014
Quotation of Securities issued under the Offer*	27 November 2014

* 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 October 2014 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 Securities 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.

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 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 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the 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. Key risk factors are set out below. Please refer to Section 7 of this Prospectus for further risk factors.

- (a) Additional Requirements for Capital;
- (b) Legal risks associated with operating in Mongolia;
- (c) Trading Price of the Company's Shares;
- (d) Foreign Currency Risk;
- (e) Environmental Risks; and
- (f) Uninsured loss and liability.

3.2 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	Options	Entitlement (Shares)	Entitlement (New Options)	\$
Matthew Wood ¹	13,654,310	14,814,541	1,569,461	1,569,461	\$78,473
George Lkhagvadorj Tumur ²	12,734,753	9,284,725	1,463,764	1,463,764	\$73,188
Bataa Tumur-Ochir ³	50,250,000	3,000,000	5,775,862	5,775,862	\$288,793
Jason Peterson ⁴	12,360,000	8,223,168	1,420,689	1,420,689	\$71,034
Brian McMaster ⁵	3,180,750	5,332,167	365,603	365,603	\$18,280
Jargalsaikhan Dambadarjaa	Nil	Nil	Nil	Nil	Nil

Notes

- ¹ Mr Wood has an indirect interest in 3,076,466 Shares through Nefco Nominees Pty Ltd of which he is a beneficiary. Mr Wood has 9,000,000 Shares and 8,815,707 listed options (exercisable at \$0.05 on or before 31 July 2018) through Mitchell Grass Holdings Singapore Pte Ltd of which he is a director and shareholder. Mr Wood has an indirect interest in 180,750 Shares, 42,500 listed Options (exercisable at \$0.20 on or before 31/12/2015), 1,250,000 unlisted Options (exercisable at \$0.25 on or before 31/12/2016) and 39,667 listed options exercisable at \$0.05 on or before 31 July 2018) through Hudson Bay Investments Pty Ltd <Hudson Bay Investments a/c> of which he is a director and beneficiary. Mr Wood has an indirect interest in 50,000 Shares and 666,667 listed options (exercisable at \$0.05 on or before 31 July 2018) through being the trustee of the Mr Wood <Thomas Wood a/c>. Mr Wood has a direct interest in 1,347,094 Shares and 4,000,000 listed options (exercisable at \$0.05 on or before 31 July 2018).
- ² Mr Tumur has a direct interest in 150,003 Shares and an indirect interest in 12,500,000 Shares and 8,492,225 listed options (exercisable at \$0.05 on or before 31 July 2018) through Brave Warrior Holdings Ltd of which he is a director and shareholder. Mr Tumur also has an indirect interest of 84,750 through Hudson Bay Investments Pty Ltd <Hudson Bay Investments a/c> of which he is a beneficiary. Mr Tumur has an indirect interest in 84,750 Shares, 25,500 listed options (exercisable at \$0.20 on or before 31/12/2015), 750,000 unlisted Options (exercisable at \$0.25 on or before 31/12/2016) and 17,000 listed options (exercisable at \$0.05 on or before 31 July 2018) through his interest in Hudson Bay Investments Pty Ltd <Hudson Bay Investments a/c>.
- ³ Mr Tumur-Ochir has a direct interest in 6,500,000 Shares and 3,000,000 listed options (exercisable at \$0.05 on or before 31 July 2018). Mr Tumur-Ochir also holds an indirect interest through Next Level LLC of which he is a director and shareholder of 43,750,000 Shares.
- ⁴ Mr Peterson has an indirect interest in 1,800,000 Shares through his interest in Celtic Capital Pty Ltd of which he is a director and beneficiary, 10,560,000 Shares and 8,223,168 listed options (exercisable at \$0.05 on or before 31 July 2018) through his direct interest in Jason Peterson & Lisa Peterson <J & L Peterson S/F a/c>. Mr Peterson also has an indirect interest in 500,000 Shares through Cunningham Peterson Sharbanee Securities Pty Ltd
- ⁵ Mr McMaster has an indirect interest in 3,000,000 Shares and 2,000,000 listed options (exercisable at \$0.05 on or before 31 July 2018) through Reeve Ventures Pty Ltd <The Vega a/c> of which he is a director and beneficiary and 180,750 Shares through his interest in Hudson Bay Investments Pty Ltd <Hudson Bay Investment a/c> of which he is a

director and beneficiary. Mr McMaster has an indirect interest in 42,500 listed Options (exercisable at \$0.20 on or before 31/12/2015), 1,250,000 unlisted Options (exercisable at \$0.25 on or before 31/12/2016) and 39,667 listed options (exercisable at \$0.04 on or before 31 July 2018) through his interest in Hudson Bay Investments Pty Ltd <Hudson Bay Investments a/c>. Mr McMaster also has an indirect interest in 2,000,000 listed options (exercisable at \$0.05 on or before 31 July 2018) through Vega Funds Pty Ltd <The Vega a/c> which he is a director and beneficiary.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements in full.

3.3 Substantial Holders

Based on substantial shareholder notices lodged prior to the date of this Prospectus, 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	%
Next Level LLC	43,750,000	16.58%
Nefco Nominees Pty Ltd	21,550,000	8.17%

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

3.4 Underwriting by CPS Capital Group Pty Ltd

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**) up to the full amount of the Offer, being \$1,516,421.

The Company has agreed to pay the Underwriter 6% of the total underwritten amount.

The Company will also reimburse the Underwriter for all reasonable costs and expenses incidental to the Offer.

The Underwriter is not a related party of the Company. Mr Peterson, a Director of the Company, is a director of the Underwriter and holds an indirect interest in the Underwriter, but is not deemed to control the Underwriter, or hold a controlling interest.

In accordance with the terms of the Underwriting Agreement, the Underwriter has appointed sub-underwriters to sub-underwrite the Offer. None of these parties are related parties of the Company.

Refer to Section 8.3.2 of this Prospectus for further details of the terms of the Underwriting Agreement.

3.5 Effect on control of the Company

As stated above, the Offer is fully underwritten by the Underwriter.

The Underwriter is an unrelated party of the Company for the purposes of the Corporations Act. As at the date of this Prospectus, the Underwriter holds 500,000 Shares in the Company. The Underwriter has indicated that it is its present intention to subscribe for all of their Entitlement under the Offer, being 57,471 Shares and 57,471 New Options.

The extent to which Shares are issued upon the future exercise of the New Options offered to the Underwriter under the Offer, and otherwise as underwritten will increase the Underwriter's voting power in the Company.

The voting power of the Underwriter on completion of the Offer, provided all Entitlements are accepted and no Options are exercised, will be 0.19%.

The potential maximum increase in the voting power of the Underwriter should no Shareholders (apart from the Underwriter) subscribe for their Entitlement under the Offer would be 10.48%. This is on the basis that the Underwriter receives 30,328,434 Shares (being the maximum amount it can subscribe for as Underwriter) and assuming no Options are exercised prior to the Record Date.

Assuming the Underwriter exercises all New Options it is issued under the Offer, the potential maximum increase in the voting power of the Underwriter should no Shareholders (apart from the Underwriter) subscribe for their Entitlements under the Offer would be 18.85%. This is on the basis that the Underwriter receives 30,328,434 Shares and 30,328,434 New Options (being the maximum amount it can subscribe for as Underwriter) and assuming no Options other than the New Options are exercised.

However, it is unlikely that no Shareholders, other than the Underwriter, will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will therefore reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders (and upon exercise of such Options). Shareholders should also be aware that as per the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall (if any) to possible sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer. Accordingly, the voting power of the Underwriter will further be reduced by a corresponding amount for the Shortfall amounts allocated to these parties.

3.6 Potential dilution to Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 11.49% (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 (assuming no Options are exercised prior to the Record Date).

Holder	Holding as at Record date	% at Record Date	Share Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	3.79	1,149,425	10,000,000	3.40
Shareholder 2	5,000,000	1.89	574,712	5,000,000	1.70
Shareholder 3	1,500,000	0.57	172,413	1,500,000	0.51
Shareholder 4	400,000	0.15	45,977	400,000	0.14
Shareholder 5	50,000	0.02	5,747	50,000	0.02
Total	263,857,377			294,185,811	

Notes:

1. 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 and no Options are exercised. 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.

3.7 Lead manager/broker

The Underwriter has also been appointed as lead manager and broker to the Offer. The terms of the appointment of the Underwriter as lead manager and broker are summarised in section 8.3.1 of this Prospectus.

3.8 Market price of Shares

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

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

Highest	\$0.07	3 September 2014
Lowest	\$0.042	29 July 2014
Last	\$0.050	27 October 2014

3.9 Forward-looking statements

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 Share for every 8.7 Shares held by Eligible Shareholders, at an issue price of \$0.05 per Share, together with 1 free attaching New Option for every 1 Share 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 prior to the Record Date) a maximum of 30,328,434 Shares and 30,328,434 New Options will be issued pursuant to this Offer to raise approximately \$1,516,421. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 215,938,579 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 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The terms of the New Options offered under this Prospectus are set out in Section 6.2 of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

The minimum subscription in respect of the Offer is \$1,516,421 as the Offer is fully underwritten by the Underwriter. No Securities will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

4.3 Acceptance

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

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; 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) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.05 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to Wolf Petroleum Limited – Entitlement Issue Account” and crossed “Not Negotiable”.

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

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance 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 Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance 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 4:00 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.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer and will be dealt with in accordance with the Lead Manager and Underwriting Agreement.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of any Shares offered pursuant to the Shortfall Offer will be \$0.05 each, which is the issue price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion in consultation with the Underwriter having consideration of the terms of the Underwriting Agreement, the Listing Rules and any restrictions under any applicable law. Accordingly, investors should not apply for the Shortfall unless directed to do so by the Directors or the Underwriter.

4.7 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 now offered for subscription.

4.8 Issue

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 Securities 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.

4.9 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 Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2013.

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

4.10 Enquiries

Any questions concerning the Offer should be directed to Jonathan Hart, Company Secretary, on + 61 8 9200 4428.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,516,421 (before expenses).

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

Item	Proceeds of the Offer	(\$)	%
1.	Financial obligations under production sharing contract	182,500	12.03
2.	Mongolian regional and land fees	138,000	9.10
3.	Costs associated with farm out of the SB Block	375,296	24.75
4.	Consulting Fees	250,000	16.49
5.	Expenses of the Offer ¹	115,625	7.63
6.	Working capital	455,000	30.00
	Total	1,516,421	100

Notes:

1. Refer to section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

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

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Securities offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$1,400,796 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 263,857,377 as at the date of this Prospectus to 294,185,811 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 215,938,579 as at the date of this Prospectus to 246,267,013 Options following completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2014 and the unaudited pro-forma balance sheet as at 30 September 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	UNAUDITED as at 30 September 2014	PROFORMA as at 30 September 2014
CURRENT ASSETS		
Cash ^{1 2 3}	264,168	710,387
Receivables	142,370	142,370
Other current assets	70,230	70,230
TOTAL CURRENT ASSETS	476,768	922,987
NON-CURRENT ASSETS		
Plant and equipment	334,741	334,741
Exploration	9,022,256	9,022,256
TOTAL NON-CURRENT ASSETS	9,356,997	9,356,997
TOTAL ASSETS	9,833,765	10,279,984
CURRENT LIABILITIES		
Creditors and borrowings ⁴	1,090,578	-
TOTAL CURRENT LIABILITIES	1,090,578	-
TOTAL LIABILITIES	1,090,578	-
NET ASSETS (LIABILITIES)	8,743,187	10,279,984
EQUITY		
Share capital	20,455,508	21,992,305
Reserves	1,837,693	1,837,693
Retained loss	(13,550,014)	(13,550,014)

	UNAUDITED as at 30 September 2014	PROFORMA as at 30 September 2014
TOTAL EQUITY	8,743,187	10,279,984

Notes:

1. Cash and cash equivalents includes proceeds from the Offer adjusted for the use of proceeds as set out in Section 5.1.
2. Cash and cash equivalents includes only cash.
3. The pro forma balance sheet shows a cash and cash equivalents balance of \$710,387.
4. Trade and other payables includes creditors and sundry accruals.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Securities offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	263,857,377
Shares to be issued pursuant to the Offer	30,328,434
Total Shares on issue after completion of the Offer	294,185,811

124,937,500 Shares are escrowed until 21 December 2014.

Options

	Number
Options currently on issue:	
Quoted exercisable at \$0.20 on or before 31/12/2015	27,000,000
Unquoted exercisable at \$0.25 on or before 31/12/2016	10,000,000
Unquoted exercisable at \$0.33 on or before 28/11/2015	1,000,000
Unquoted exercisable at \$0.10 on or before 31/03/2016	3,400,000
Quoted exercisable at \$0.05 on or before 31/07/2018	174,538,579
New Options issued pursuant to the Offer (Quoted exercisable at \$0.05 on or before 31 July 2018)	30,328,434
Total Options on issue after completion of the Offer	246,267,013

The capital structure on a fully diluted basis as at the date of this Prospectus would be 479,795,956 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 540,452,824 Shares.

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 the share, 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

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to Clause 22 of the Company's Constitution and 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 dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. No dividend shall carry interest as against the Company.

(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) **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 or the Listing Rules.

(f) **Changes to Capital Structure**

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.

(g) **Variation of Rights**

Pursuant to 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.

The Shares are quoted on ASX.

6.2 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 July 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days of the Exercise Date, but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(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 Options without exercising the Options.

(l) **Change in exercise price**

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

(m) **Quotation**

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

(n) **Transferability**

The 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 Shares pursuant to this Prospectus.

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

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

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 263,857,377 currently on issue to 294,185,811. 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.

The last closing price of Shares on ASX prior to the Prospectus being lodged of \$0.050 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Additional Requirements for Capital

The Company will be required to raise additional funds in the event exploration 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. This includes costs associated with ongoing efforts to farm out the 100% owned SB block

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities on acceptable terms may result in delay and indefinite postponement of exploration or development on the Company's Projects, or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(c) **Legal risks associated with operating in Mongolia**

Mongolian operations are subject to the jurisdiction of Mongolia's courts, except where parties to a contract have chosen an arbitration (local and international such as Hong Kong, Singapore or London Arbitration). The legal system operating in Mongolia is developing which may result in risks such as:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- (ii) a high degree of discretion on the part of governmental agencies;
- (iii) a lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights; or
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions.

The commitment to local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that the Blocks and other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effective enforcement of such arrangements cannot be assured.

In the case where there is a dispute about the actions of the State in Mongolia with regard to the Blocks, it is unlikely that a claim could be raised in Australian courts for reasons of comity or the doctrine of sovereign immunity.

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

(d) **Trading Price of the Company's Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. In addition, the price of the Company's Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Company's Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(e) **Foreign Currency Risk**

Foreign currency exchange risk involves exchange rate movements amongst currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements.

Unfavourable movements in the Mongolian Tughrig may have an adverse effect on the Company's operations and the market price of its Shares. The Company does not hedge against these risks.

(f) **Environmental Risks**

The operations and proposed activities of the Company are subject to Mongolian laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, this does not necessarily mean that all of the Company's proposed activities will be approved by the Mongolian environmental authorities.

(g) **Uninsured loss and liability**

Exploration for and development of oil and gas involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

7.3 Industry specific

(a) Exploration Risks

By its nature, the business of oil and gas exploration contains elements of significant risk with no guarantee of success. Ultimate and continuous exploration success is dependent on many factors such as:

- (i) access to adequate capital;
- (ii) the design and construction of efficient exploration programs and expenditure budgets;
- (iii) securing and maintaining title to interests;
- (iv) obtaining consents and approvals necessary for the conduct of oil and gas exploration; and
- (v) access to competent exploration and operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Industry exploration risks include fire, explosions, unanticipated reservoir problems which may affect field production performance, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty (such as lack of sufficient sub-surface data from correlative well logs and/or formation core analyses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment. In addition, drilling and operations include reservoir risk such as the presence of shale laminations in the otherwise homogeneous sandstone porosity.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) Oil and gas price fluctuations

The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. 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 the Company's business, financial condition and results of operations.

(c) **Title Risk**

The Company cannot give any assurance that title to the Company or the Company's projects will not be challenged or impugned for various reasons, including that they may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects.

7.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(d) **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **Force Majeure**

The Company and its respective projects, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

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 the 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

The Company is currently a party to an arbitration proceeding initiated by an indigenous corporation. The Company is considering its legal position in relation to the arbitration and intends to assess this position once all the parties have complied with the applicable process directions.

Other than as set out above, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

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
23/10/14	Quarterly Cashflow Report
23/10/14	Quarterly Activities Report
21/10/2014	Notice of Annual General Meeting/Proxy Form
17/10/2014	Fully Underwritten Rights Issue
16/10/2014	Appendix 3B
15/10/2014	Trading Halt
10/10/2014	Response to ASX Price Query
30/09/2014	Annual Report 2014

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

The announcements are also available through the Company's website www.wolfpetroleum.net.

8.3 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.3.1 CPS Capital Group Pty Ltd Mandate Letter

The Company has appointed CPS Capital Group Pty Ltd to act as lead manager and broker in relation to the Offer (**Mandate Letter**) who will co-ordinate and manage the Offer, underwrite the Offer for 30,328,434 Shares and 30,328,434

New Options (**Underwritten Securities**) and seek to introduce potential sub underwriters.

Pursuant to the Mandate Letter, the Company agreed to pay the Underwriter an underwriting fee of 6% of the value of the Underwritten Securities.

8.3.2 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agrees to fully underwrite the Offer for the Underwritten Securities.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the value of the Underwritten Securities being \$90,985.

Additionally, the Company will also pay the Underwriter for any reasonable expenses and disbursements incurred by the Underwriter under the Offer to a maximum of \$15,000.

The Underwriter may at any time in accordance with the terms of the Underwriting Agreement appoint sub-underwriters.

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

- (a) **Share Price:** the share price of the Company trading on the ASX under the ASX code of "WOF" finishes trading for two consecutive trading days with a closing share price that is less than \$0.05 until the during the period the Offer is open;
- (b) **Indices fall:** the S&P ASX 200 Index is at any time after the date of this Agreement 5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (c) **Prospectus:** the Company does not lodge the Prospectus on the day of lodgement or the Prospectus or the Entitlement Issue is withdrawn by the Company;
- (d) **No Listing Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX within 7 days after lodgement;
- (e) **No Official Quotation:** ASX has advised the Company that it will or may not grant official quotation to the Underwritten Securities on or prior to the shortfall notice deadline date;
- (f) **Restriction on Issue:** the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules;
- (g) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;

- (h) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer;
- (i) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (j) **Event of Insolvency:** an Event of Insolvency, as defined in the Underwriting Agreement, occurs in respect of the Company or any of its subsidiaries;
- (k) **Indictable offence:** a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence; or
- (l) **Termination Events:** upon the occurrence of a Termination Event, as defined in the Underwriting Agreement, occurs.

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

Jason Peterson, a Director of the Company, is a shareholder and director of the Underwriter. Refer to Section 3.4 of this Prospectus for further details.

8.4 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:

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

- (ii) the Offer.

Remuneration

The Constitution of the Company provide that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

The remuneration of executive Directors is decided by the Board, without the affected executive Director participating in that decision-making process and may be paid by way of fixed salary or commission.

In the last two years, \$1,275,062 (\$584,202 in 2013 and \$690,860 in 2014) has been paid by the Company by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of directors fees and consultancy fees.

Director	Financial year ended 30 June 2014	Current financial year ending 30 June 2015
Matthew Wood	\$240,000	\$60,000
George Lkhagvadorj Tumur	\$60,000	\$15,000
Bataa Tumur-Ochir	\$239,918	\$71,315*
Jason Peterson	\$30,000	\$7,500
Brian McMaster	\$60,000	\$15,000
Jargalsaikhan Dambadarjaa	\$15,942	\$3,816*

*Converted to AUD at the relevant exchange rate at the date of this Prospectus.

8.5 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:

- (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 any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

CPS Capital Group Pty Ltd will be paid an underwriting fee of approximately \$91,000 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has been paid fees totalling \$157,103 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (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 \$34,488 (excluding GST and disbursements) for legal services provided to the Company.

8.6 Consents

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; and
- (b) 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.

CPS Capital Group Pty Ltd has given its written consent to being named as underwriter and lead manager and broker to the Offer in this Prospectus, in the form and context in which it is named.

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.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$115,625 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	12,400
Underwriting fees	91,000
Legal fees	5,000
Printing and distribution	4,935
Total	115,625

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9200 4428 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.wolfpetroleum.net.

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.

8.9 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.

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

The Company will not be issuing Share or New 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 and New Options 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.

8.11 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.

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.

Matthew Wood
Chairman
For and on behalf of
WOLF PETROLEUM LIMITED

10. GLOSSARY

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

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

Application means an application to subscribe for Securities under this Prospectus.

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

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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 Wolf Petroleum Limited (ACN 116 249 060).

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.

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.

New Option means an Option issued on the terms set out in Section 6.2 of this Prospectus.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

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

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

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

Shareholder means a holder of a Share.

Shortfall means the Securities 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 4.6 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwritten Securities means 30,328,434 Shares and 30,328,434 New Options.

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