

**ANATOLIA ENERGY LIMITED**  
**ACN 076 577 994**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of 1 Share for every 10 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.10 per Share to raise up to \$1,077,241 (based on the number of Shares on issue as at the date of this Prospectus) (together with 1 free attaching option, exercisable \$0.18 on or before 15 June 2017 for every 1 Share subscribed for and issued **(New Option) (Offer)**).

The Offer is conditionally underwritten by Blackswan Equities Limited **(Underwriter)**. Refer to Section 8.5 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 Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Dr Hikmet Akin (Non-Executive Chairman)  
Mr Robert Annett (Non-Executive Director)  
Dr Peter Kausch (Non-Executive Director)  
Mr Keith Sheppard (Non-Executive Director)

### Company Secretary

Mr Lee Boyd

### Registered Office

Level 1  
140 Colin Street  
WEST PERTH WA 6005

Telephone: + 61 (0) 8 6461 1365  
Facsimile: +61 (0) 8 6461 1355

Email: [admin@anatoliaenergy.com.au](mailto:admin@anatoliaenergy.com.au)  
Website: [www.anatoliaenergy.com.au](http://www.anatoliaenergy.com.au)

### Share Registry\*

Computershare Investor Services  
Level 2, Reserve Bank Building  
45 St George Terrace  
PERTH WA 6000

Telephone: 1300 850 505

### Solicitors

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

Telephone: +61(0) 8 9321 4000  
Facsimile: +61(0) 8 9321 4333

### Auditor\*

Moore Stephens  
Level 3, 12 St Georges Terrace  
PERTH WA 6000

Telephone: +61 (0) 8 9225 5355  
Facsimile: +61 (0) 8 9225 6181

### Underwriter

Blackswan Equities Limited  
Level 12, 28 The Esplanade  
PERTH WA 6000

Telephone: +61 (0) 8 9346 0333  
Facsimile: +61 (0) 8 9346 0399

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

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**2. TIMETABLE**

Lodgement of Prospectus with ASIC	Thursday 10 May 2012
Notice sent to Shareholders	Monday 14 May 2012
Ex Date	Tuesday 15 May 2012
Record Date for determining Shareholder entitlements	Monday 21 May 2012
Prospectus despatched to Shareholders	Wednesday 23 May 2012
Closing Date of Offer	Friday 15 June 2012
Securities quoted on a deferred settlement basis	Monday 18 June 2012
Notify ASX of under-subscriptions	Tuesday 19 June 2012
Date Securities entered into Shareholders' security holdings	Wednesday 20 June 2012
Despatch date of holding statements	Thursday 21 June 2012

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

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### **3. IMPORTANT NOTES**

This Prospectus is dated 10 May 2012 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.

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.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Prospectus may not be distributed in the United States and the Securities may not be offered or sold, directly or indirectly, to persons in the United States.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

#### **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 Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## **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 10 Shares held by Shareholders registered at the Record Date at an issue price of \$0.10 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 10,772,410 Shares and 10,772,410 New Options will be issued pursuant to this Offer to raise up to \$1,077,241. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 84,000 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 5.4 of this Prospectus for information on the exercise price and expiry date of the Options currently 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 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date 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 is \$500,000, being the Underwritten Amount.

### **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 in the case of Shareholders in Canada, complete the Investor Certificate that is Schedule 1 to 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 Shares you wish to accept in the space provided on the Entitlement and Acceptance Form (and in the case of Shareholders in Canada, complete the Investor Certificate that is Schedule 1 to 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 \$0.10 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 "**Anatolia Energy Limited – Offer Account**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm 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 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement either 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.

**If paying by BPAY**, please make sure to use the specific Biller Code and unique Customer Reference Number on your Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlement to which that Customer Reference Number applies.

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

1 New Option with an exercise price of \$0.18 and an expiry date of 15 June 2017 will be issued for every 1 Share subscribed for and issued under the Offer.

#### **4.6 Underwriting**

The Offer is conditionally partially underwritten by the Underwriter. Refer to Section 8.5 of this Prospectus for details of the terms of the underwriting.

#### **4.7 Shortfall Offer**

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.10 being the price at which Shares have been offered under the Offer. Shareholders who wish to apply for Shares above their Entitlement can complete the Shortfall Application Form attached to the back of this Prospectus and return it, together with a cheque for the value of those Shortfall Shares (at \$0.10 per Share) to the Company.

1 New Option with an exercise price of \$0.18 and an expiry date of 15 June 2017 will be issued for every 1 Share subscribed for and issued under the Shortfall Offer.

Eligible Shareholders who have applied for Shortfall Shares through the Shortfall Offer will receive all Shortfall Shares they have applied for, unless there is an over subscription for Shortfall Shares through the Shortfall Offer, **in which case all applications for Shortfall Shares will be scaled back on a pro rata basis having regard to the amount of Shortfall Shares applied for by each Eligible Shareholder.**

If any shortfall remains after the allocation of Shortfall Shares to Eligible Shareholders as provided above, the Company reserves the right to place the remaining Shortfall at its discretion (at a price not less than \$0.10 per Share).

Allotment of Shortfall Shares under the Shortfall Offer may occur on a progressive basis at any time on or after the date of allotment of Shares under the Offer.

#### **4.8 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.



#### **4.9 Allotment**

Securities issued pursuant to the Offer will be allotted 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 allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment 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 allotment and 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.

#### **4.10 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, Canada, Germany or New Zealand, unless the Company determines it is lawful and practical to do so.

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

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.

#### **4.11 Canada**

This document constitutes an offering of Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Securities or the offering of Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements as further described below. [Purchasers in Canada are advised to seek legal advice prior to any resale of the Securities.](#)

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### **4.12 Statutory rights of action for damages or rescission**

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario.

In Ontario, every purchaser of the Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities*

*Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased the Securities with knowledge of the misrepresentation;
- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Securities as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which the Securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

#### **4.13 Certain Canadian income tax considerations**

Prospective purchasers of the Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

#### **4.14 Resale restrictions in Canada**

The distribution of Securities in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Furthermore, the Company is not a "reporting issuer", as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the Securities will be offered. Under no circumstances will the Company be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Securities, or any shares underlying the Securities, to the public in any province or territory of Canada. Canadian investors are advised that the Company currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Securities, or any shares underlying the Securities, to the public in any province or territory of Canada in connection with this offering. As a result, there will be no public market in Canada for the Securities, or any shares underlying the Securities, and the resale or transfer of the Securities and any shares underlying the Securities, will be subject to a restriction period that may never expire. Any resale of the Securities or shares underlying the Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may therefore require resales to be made in accordance with exemptions from dealer registration and

prospectus requirements. These resale restrictions may in some circumstances apply to resales outside Canada. **Furthermore, the commonly relied upon resale prospectus exemption in section 2.14 of National Instrument 45-102 for first trades in securities of a non-reporting issuer is not available with respect to a resale of the Securities or any shares underlying the Securities as residents of Canada own, directly or indirectly, more than 10% of the outstanding shares of the Company. Canadian purchasers should seek legal advice prior to any resale of the Securities. Or any shares underlying the Securities.**

#### **4.15 Language of documents in Canada**

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

#### **4.16 European Economic Area - Germany**

The information in this document has been prepared on the basis that all offers of Securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity that has two or more of: (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- (c) to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company and any underwriter for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

#### **4.17 New Zealand**

The Securities are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of Securities is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **4.18 United States**

This Prospectus and any Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Prospectus nor related documents may be distributed or released in the United States. The Securities have not been, nor will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a person in the United States. The Securities (or any Shares issued upon conversion of New Options) may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and the applicable securities laws of any state or other jurisdiction in the United States.

#### **4.19 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this Prospectus or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial shareholders in New Zealand and any other country where the Company may determine it is lawful and practical to make the Offer.

#### **4.20 Enquiries**

Any questions concerning the Offer should be directed to Lee Boyd, Company Secretary, on +61 (0) 8 9327 1777.

Any questions concerning your Entitlement and Acceptance Form, please call Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia).

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer and Use of Funds

The purpose of the Offer is to raise up to \$1,077,241. No funds will be raised from the issue of the New Options.

In addition to the Offer, and as announced by the Company on 7 May 2012, the Company is undertaking a placement to sophisticated and professional investors to raise \$4,441,775 at 10 cents per Share (**Placement**). Every Placement Share will be issued with one free attaching Option. These Options will be the same class of Options issued pursuant to the Offer. That is, with each Option exercisable at 18 cents on or before 15 June 2017.

The Company has received firm commitments for the full amount of the Placement. However, the issue of the second tranche of Placement Shares, being 36,380,771 Shares, will be subject to Shareholder approval. The Company intends to seek this approval at a general meeting to be held in June 2012.

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

Proceeds of the Offer	Minimum Subscription <sup>1</sup>	%	Full Subscription <sup>2</sup>	%
Joint Venture Expenditure on the Temrezli Project, including infill and step out drilling	\$2,832,090	57.3%	\$3,398,508	61.6%
Geotechnical Expenditure on the Temrezli Project	\$1,078,550	21.8%	\$1,078,550	19.5%
Placement and Corporate Advisory Fees <sup>3</sup>	\$276,000	5.6%	\$276,000	5.0%
Expenses of the Offer <sup>4</sup>	\$53,500	1.1%	\$90,000	1.6%
Working capital	\$701,635	14.2%	\$675,958	12.2%
<b>Total</b>	<b>\$4,941,775</b>	<b>100%</b>	<b>\$5,519,016</b>	<b>100%</b>

#### Notes:

1. Based on a minimum subscription under the Offer of \$500,000 (being the Underwritten Amount) and completion of the Placement to raise \$4,441,775.
2. Based on full subscription of the Offer of \$1,077,241 and completion of the Placement to raise \$4,441,775.
3. Refer to Section 8.5 of this Prospectus for details of the Company's mandate with Blackswan Equities Limited.
4. Refer to Section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.
5. If only the minimum subscription is raised under the Offer, the ASX Listing Fees will decrease from approximately \$4,643 to \$3,200 and the fees payable to Blackswan Equities Limited will decrease.

In the event the Company raises more than the minimum subscription of \$4,941,775 (being \$500,000 pursuant to the Offer and \$4,441,775 pursuant to the Placement), the additional funds raised will be first applied towards Expenses of the Offer, then Joint Venture Expenditure and finally, working capital (as set out in the table above).

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 Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$987,241 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 107,724,104 as at the date of this Prospectus to 118,496,514 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 84,000 as at the date of this Prospectus to 10,856,410 Options following completion of the Offer.

## 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2012 and the unaudited pro-forma balance sheet as at 31 March 2012 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 includes funds to be received by the Company pursuant to the Placement.

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 31/03/2012	PROFORMA 31/03/2012
<b>CURRENT ASSETS</b>		
Cash <sup>4</sup>	635,205	5,788,221
Other current assets	10,865	10,865
<b>TOTAL CURRENT ASSETS</b>	<b>646,070</b>	<b>5,799,086</b>
<b>NON-CURRENT ASSETS</b>		

	UNAUDITED 31/03/2012	PROFORMA 31/03/2012
Exploration	403,038	403,038
Investments in associates	10,947,203	10,947,203
Plant and equipment	2,773	2,773
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,353,014</b>	<b>11,353,014</b>
<b>TOTAL ASSETS</b>	<b>11,999,084</b>	<b>17,152,100</b>
<b>CURRENT LIABILITIES</b>		
Creditors and borrowings	124,448	124,448
<b>TOTAL CURRENT LIABILITIES</b>	<b>124,448</b>	<b>124,448</b>
<b>TOTAL LIABILITIES</b>	<b>124,448</b>	<b>124,448</b>
<b>NET ASSETS</b>	<b>11,874,636</b>	<b>17,027,652</b>
<b>EQUITY</b>		
Share capital	48,549,552	53,702,568
Retained losses	(36,742,458)	(36,742,458)
Minority interest	67,542	67,542
<b>TOTAL EQUITY</b>	<b>11,874,636</b>	<b>17,027,652</b>

#### Notes:

1. The unaudited statement of financial position as at 31 March 2012 and the unaudited pro-forma statement of financial position as at 31 March 2012 are based on the latest management accounts prepared for the company.
2. The unaudited statement of financial position as at 31 March 2012 and the unaudited pro-forma statement of financial position as at 31 March 2012 have been prepared on a consolidated basis for Anatolia Energy Ltd and its controlled entities.
3. The financial information has been prepared in accordance with the accounting policies normally adopted by the company. The financial information has been prepared on an accruals basis and is based on historical costs.
4. The increase in cash reserves is based on the funds raised from the full subscription of the Offer of \$1,077,241 and completion of the Placement to raise \$4,441,775, less the expenses of the Offer of \$90,000 and expenses of the Placement of \$276,000.
5. Refer to Section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.
6. The above financial information should be read in conjunction with the latest audited Annual Financial Report for the year ended 30 June 2011 and the latest Interim Financial Report for the half-year ended 31 December 2011 for the Company.

#### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all



Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

## Shares

	Number
Shares currently on issue	107,724,104
Shares offered pursuant to the Offer	10,772,410
<b>Total Shares on issue after Completion of the Offer</b>	<b>118,496,514</b>
Shares offered pursuant to the Placement <sup>1</sup>	44,417,750
<b>Total Shares on issue after completion of the Offer and the Placement</b>	<b>162,914,264</b>

## Options

	Number
Options currently on issue: Unlisted, exercisable at \$0.18, on or before 11 November 2014	84,000
New Options offered pursuant to the Offer: Listed, exercisable at \$0.18, on or before 15 June 2017	10,772,410
<b>Total Options on issue after Completion of the Offer</b>	<b>10,856,410</b>
New Options offered pursuant to the Placement: Listed, exercisable at \$0.18, on or before 15 June 2017 <sup>2</sup>	44,417,750
<b>Total Options on issue after completion of the Offer and the Placement</b>	<b>55,274,160</b>

## Notes:

1. Issue of the Tranche 2 Placement Shares, being 36,380,771 Shares, will be subject to Shareholder approval. The Company intends to seek this approval at a general meeting to be held in June 2012.
2. Issue of the New Options attaching to the Tranche 2 Placement Shares, being 36,380,771 New Options, will be subject to Shareholder approval. The Company intends to seek this approval at a general meeting to be held in June 2012.
3. The Company also has 11,692,202 A Class Performance Shares and 50 D Class Performance Shares on issue.

The 11,692,202 A Class Performance Shares will convert to a maximum of 10,361,375 Shares subject to the achievement of performance milestones on or before 10 February 2016. The 50 D Class Performance Shares will convert to a maximum of 2,109,500 Shares, at the election of the holder, on or before 24 January 2016.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 107,808,104 Shares and on completion of the Offer and the Placement

(assuming all Entitlements are accepted, no Options are exercised and no Performance Shares are converted prior to the Record Date) would be 218,188,424 Shares.

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

## 5.5 Details of substantial holders

Based on publicly available information as at 11 May 2012, 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	%
Richmond Capital	15,900,000	14.8
Aldridge Minerals Inc.	10,000,204	9.3

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

## 5.6 Effect on Control of Company

The Offer and the partial underwriting of the Offer are not expected to have any material impact on control of the Company.

## 5.7 Related Party Underwriting

The terms and conditions of the Underwriting Agreement are set out in 8.5 of this Prospectus.

At the date of this Prospectus, the Underwriter has entered into an agreement with Greatside Holdings Pty Ltd as trustee for the ADL Trust (**Greatside Holdings**), to sub-underwrite \$150,000 of the Underwritten Amount (**Related Party Underwriting**). Mr Keith Sheppard, who is a director of the Company, is a beneficiary of the ADL Trust and a director of Greatside Holdings.

Greatside Holdings will receive a sub-underwriting fee of 3% for the Related Party Underwriting, being \$4,500.

The Company has not sought Shareholder approval for the proposed Related Party Underwriting on the basis that it has been negotiated at arm's length and contains standard commercial terms and therefore falls within the exception in Section 210 of the *Corporations Act 2001* (Cth).

In support of this, the Company advises that:

- (a) the Related Party Underwriting will operate pursuant to the terms of the Underwriting Agreement, with Greatside Holdings as a sub-underwriter, engaged at the discretion of Blackswan Equities Limited (**the Underwriter**);
- (b) the Underwriter, has been separately represented in negotiations and agreed to the Related Party Underwriting on commercial terms agreed with Greatside Holdings; and

- (c) as set out in this Prospectus, the Company is making the Shortfall Offer to all Shareholders and is encouraging Shareholders to apply for Shortfall Shares above their Entitlement.

It is the view of the Directors that the Offer Period gives Shareholders reasonable opportunity to accept the Offer.

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## **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 allotment and 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 Options

The New Options to be issued pursuant to this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Subject to paragraph (k), each New Option gives the Optionholder the right to subscribe for one Share.
- (b) The New Options will expire at 5.00pm (WST) on 15 June 2017 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse.
- (c) The amount payable upon exercise of each New Option is 18 cents (**Exercise Price**).
- (d) The New Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their New Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of New Options specifying the number of New Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of New Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- (i) Subject to the satisfaction of the requirements of the ASX Listing Rules,

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

- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of New Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) 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.
- (l) There are no participating rights or entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (m) Other than as contemplated by paragraph (k), 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.

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## **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) Potential for 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 107,724,104 currently on issue to 118,496,514. This means that each Share will represent a 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.

#### **(b) Contractual Risk and Joint Venture Earn In**

The Company currently holds a 35% interest, and by sole funding joint venture expenditure, has the right to acquire a further 40% interest (for a total of 75% interest) in a uranium exploration project located in Central Anatolia, Turkey (**Joint Venture**).

In order to be effective, the agreement governing the Joint Venture requires the counterparties to the agreement to comply with their respective obligations. In the event the counterparties do not comply with their obligations under the joint venture agreement, it may have a material adverse effect on the Company's operations and the Company's ability to effectively exercise its right to acquire a further interest in the Joint Venture.

#### **(c) Title Risk**

The Company is a uranium exploration company holding an interest in 99 exploration licences in the Republic of Turkey (through its subsidiary company, Aldridge (**Tenements**)). Interests in tenements in Turkey are governed by applicable legislation and are evidenced by the granting of exploration licences or operating licences. Each exploration licence or operating licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions



requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) **Operating Risks**

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

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Tenements. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Risks associated with operating in Turkey**

The Company's project and assets are located in Turkey. The Company will be subject to the risks associated with operating in Turkey. Such risks can include economic, social or political change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to Turkey's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

### **7.3 Industry specific**

(a) **Exploration Success**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Industry Risks – Uranium and nuclear energy**

Nuclear energy is in direct competition with other more conventional sources of energy, which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any potential attendant increase in the demand for uranium) beyond its current level will depend on continued and increased acceptance of

nuclear technology as a means of generating electricity. The nuclear industry is currently subject to some negative public opinion owing to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have no or very low carbon emissions. However, to date these have not been cost-effective enough to be used for large scale base load power. Technology changes may occur that make alternative energy systems more efficient, reliable or cost-effective.

## **7.4 General risks**

### **(a) Economic**

General economic conditions, 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:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- 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) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that

the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

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.

## **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.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **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.

<b>Date</b>	<b>Description of Announcement</b>
7/05/2012	Placement and Non Renounceable Rights Issue
3/05/2012	Trading Halt
1/05/2012	Quarterly Activities Report
1/05/2012	Quarterly Cashflow Report
23/03/2012	Appendix 3B
19/03/2012	Appendix 3B
12/03/2012	Half Yearly Accounts
22/02/2012	Appendix 3B
15/02/2012	Change of Director's Interest Notice x 2
15/02/2012	Becoming a substantial holder
14/02/2012	Ceasing to be a substantial holder
14/02/2012	Appendix 3Y
10/02/2012	Appendix 3B
31/01/2012	Quarterly Activities Report
27/01/2012	Quarterly Cashflow Report
24/01/2012	Appendix 3B
23/01/2012	Expiry of Restriction on AEK Securities

<b>Date</b>	<b>Description of Announcement</b>
9/01/2012	Expiry of Restriction on AEK Securities
5/12/2011	Letter to \$1.40 Option Holders re Expiry 31/12/2011
30/11/2011	Results of Meeting
28/11/2011	Withdrawal of Resolution 6 From AGM Agenda
28/11/2011	Correction to Annual Report - ASX LR 4.10.19 Statement
28/11/2011	Company Presentation - ISL Uranium in Turkey
28/11/2011	Advice of Investor Presentations
31/10/2011	Quarterly Activities Report
31/10/2011	Quarterly Cashflow Report
27/10/2011	Commenced Despatch of Annual report and Notice AGM
27/10/2011	Notice of Annual General Meeting/Proxy Form
27/10/2011	Annual Report to shareholders
28/09/2011	Annual Financial Report

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 <http://www.anatoliaenergy.com.au>

### **8.3 Market price of shares**

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

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

<b>Highest</b>	\$0.20	4 August 2011
<b>Lowest</b>	\$0.075	7 May 2012
<b>Last</b>	\$0.085	10 May 2012

### **8.4 Material contracts**

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

## 8.5 Mandate and Underwriting Agreement

By an agreement between Blackswan Equities Limited (**Blackswan** or the **Underwriter**) and the Company (**Underwriting Agreement**), Blackswan has agreed to partially underwrite the Offer for 5,000,000 Shares and 5,000,000 Options, being \$500,000 of the Offer (**Underwritten Amount**).

### Underwriting Fee

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the value of the Underwritten Amount.

All sub-underwriting fees will be paid by the Underwriter from the underwriting fee. The underwriting fee will be payable to the Underwriter from funds raised by the Company upon completion of the Offer.

At the date of this Prospectus, the Underwriter has entered into an agreement with Greatside Holdings Pty Ltd (a company associated with Keith Sheppard) (a director of the Company) to sub-underwrite \$150,000 of the Underwritten Amount (**Related Party Underwriting**). Mr Sheppard will receive a sub-underwriting fee of 3% for the Related Party Underwriting.

### Management Fee

As part of managing the Offer, the Underwriter will also charge a management fee of 1% on applications received over and above the Underwritten Amount.

In consultation with the Company, the Underwriter will also have the right to place any Shortfall Securities. A placement fee of 5% will be applicable to any Shortfall Securities placed pursuant to the Shortfall Offer.

### Placement and Corporate Advisory Fees

In addition to the underwriting fee and management fees, the Company has agreed to pay Blackswan a \$132,000 placement fee for amounts raised by Blackswan pursuant to the Placement.

The Company will pay Blackswan a monthly retainer of \$12,000 for corporate advisory services. This engagement commenced in March 2012 for a 12 month period.

### Terms and Conditions

The Agreement is conditional upon:

- (a) the Underwriter completing a review of the Company to its satisfaction;
- (b) the Underwriter obtaining sufficient sub-underwriting commitments for the Offer to its sole satisfaction; and
- (c) the Underwriter not being bound to underwrite the Offer unless and until the Company lodges the Prospectus with ASIC.

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, from the date of the Underwriting Agreement, any of the following occur:

- (a) a fall at any time in either the S&P ASX 200 Index or the S&P ASX 300 Resources Index by 5% or more;
- (b) a fall in the uranium price by 5% or more;
- (c) revocation, breach or forfeiture of any license, joint venture or permit;
- (d) a breakout of hostilities;
- (e) a material adverse change in the assets, liabilities, financial position, business or operations of the Company or in the market for the underwritten shares in the Offer;
- (f) a change in the composition of executive directors of the Board;
- (g) a significant delay in the timetable to which the Underwriter has not consented (acting reasonably);
- (h) a change in the capital structure of the Company or any other prescribed occurrence not contemplated at the time of the Offer or otherwise previously disclosed to the Underwriter; and
- (i) any material adverse change or disruption in the existing financial markets, political or economic conditions of Australia, Japan, China, UK, USA, Europe (including Greece) or other international markets that would have an impact on the market for the underwritten shares in the Offer.

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.

## **8.6 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.



## Security holdings

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

Director	Shares	Performance Shares	Options	Entitlement under Offer	Cost of Entitlement
Hikmet Akin	1,880,692	573,824 A Class Performance Shares	Nil	188,069	\$18,807
Robert Annett	2,359,940	52,500 A Class Performance Shares 50 D Class Performance Shares	Nil	235,994	\$23,599
Peter Kausch	1,004,873	306,600 A Class Performance Shares	Nil	100,487	\$10,048
Keith Sheppard	4,120,591	Nil	Nil	412,059	\$41,206

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

In addition to taking up his Entitlement, Greatside Holdings Pty Ltd (as trustee for the ADL Trust) has agreed with the Underwriter to sub-underwrite the Offer up to the amount of \$150,000 (**Related Party Underwriting**). Greatside Holdings Pty Ltd will subscribe for 1,500,000 Shares (and 1,500,000 New Options) pursuant to the Related Party Underwriting. Further details are set out in Section 5.7.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. 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	2010	2011	2012 (proposed)
Hikmet Akin	Nil	\$105,001 <sup>1</sup>	\$133,333 <sup>3</sup>
Robert Annett	Nil	\$138,304 <sup>2</sup>	\$190,690 <sup>4</sup>
Peter Kausch	Nil	\$6,000	\$20,000
Keith Sheppard	\$31,000	\$56,750	\$36,312

**Notes:**

1. This amount relates wholly to consulting fees paid by Aldridge Uranium Limited (the Company's subsidiary company, and incorporated joint venture vehicle). The Company (or Aldridge Uranium Limited) does not have a formal consulting agreement with Mr Akin. Mr Akin invoices Aldridge Uranium Limited for consulting fees, on a time basis, at commercial rates. Mr Akin was not paid any fees directly by the Company during 2011.
2. This amount relates wholly to consulting fees paid by Aldridge Uranium Limited (the Company's subsidiary company, and incorporated joint venture vehicle). The Company (or Aldridge Uranium Limited) does not have a formal consulting agreement with Mr Annett. Mr Annett invoices Aldridge Uranium Limited for consulting fees, on a time basis, at commercial rates. Mr Annett was not paid any fees directly by the Company during 2011.
3. This amount is composed of \$16,666 of director's fees to be paid by the Company, and \$116,667 of consulting fees to be paid by Aldridge Uranium Limited (the Company's subsidiary company, and incorporated joint venture vehicle).
4. This amount is composed of \$43,890 of director's fees to be paid by the Company, and \$146,800 of consulting fees to be paid by Aldridge Uranium Limited (the Company's subsidiary company, and incorporated joint venture vehicle).

## 8.7 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:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Blackswan Equities Limited will be paid fees of approximately \$341,000 associated with underwriting of the Offer and corporate advisory services associated with the Placement and the Offer. The fees payable to Blackswan Equities Limited are pursuant to the Mandate and Underwriting Agreement set out in Section 8.5 of this Prospectus.

Blackswan Equities Limited (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

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.

## 8.8 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;
- (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;
- (c) Blackswan Equities Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (e) Blackswan Equities Limited has given its written consent to being named as Lead Manager to the Company in this Prospectus. Blackswan Equities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$90,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,137
ASX fees	4,643
Underwriting fees	30,000
Lead Manager Fees	35,000
Legal fees	15,000
Printing and distribution	3,220
<b>Total</b>	<b>90,000</b>

## 8.10 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

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 6461 1365 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.anatoliaenergy.com.au](http://www.anatoliaenergy.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.

## 8.11 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.

## 8.12 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 allotted 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 CHESS 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.

### **8.13 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.

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**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.

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**Robert Annett**  
**Non Executive Director**  
**For and on behalf of**  
**Anatolia Energy Limited**

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## 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.

**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 Anatolia Energy Limited (ACN 076 577 994).

**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 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 4.7 of this Prospectus.

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

**Underwritten Amount** means \$500,000.

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