

ANTILLES OIL AND GAS NL

ACN 111 823 762

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of 3 Shares for every 2 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.085 per Share to raise up to \$3,747,328.36 (based on the number of Shares and Partly Paid Shares on issue as at the date of this Prospectus) (together with 1 free attaching option for every 1 Share subscribed for and issued (**New Option**)) with entitlements for holders of Partly Paid Shares calculated in proportion to the amount paid up on their Partly Paid Shares at the Record Date (**Offer**).

The Offer is underwritten by CPS Capital Group Pty Ltd (**Underwriter**) to \$1,000,000. Refer to Sections 4.11 and 8 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

Dr Jack Hamilton
Non-Executive Chairman

Mr David Ormerod
Managing Director

Mr Damian Black
Non-Executive Director

Mr Gary Grubitz
Non-Executive Director

Registered Office

Level 1, 12 Kings Park Road
West Perth WA 6005

Telephone: (08) 9226 4500
Facsimile: (08) 9226 4300

Email: info@antillesoilandgas.com.au
Website: www.antillesoilandgas.com.au

Company Secretary

Mr Ranko Matic

ASX Code

AVD

Share Registry*

Automatic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005

Solicitors

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

Auditor*

Somes Cooke
Level 2, 35 Outram Street
West Perth WA 6005

Underwriter

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

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	25 May 2015
Lodgement of Prospectus & Appendix 3B with ASX	25 May 2015
Notice sent to Shareholders	27 May 2015
Ex date	28 May 2015
Rights trading starts	28 May 2015
Record Date for determining Entitlements (5:00pm WST)	1 June 2015
Prospectus sent to Eligible Shareholders & Company announces distribution has been completed	4 June 2015
Rights trading stops	9 June 2015
Securities quoted on a deferred settlement basis	10 June 2015
Closing Date* (5:00pm WST)	16 June 2015
ASX (and Underwriter) notified of under subscriptions	19 June 2015
Last day for Underwriter to subscribe or procure subscriptions for Underwriter Shortfall Securities	23 June 2015
Issue date/Shares entered into Shareholders' security holdings	23 June 2015
Quotation of Securities issued under the Offer*	24 June 2015

** 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 25 May 2015 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.

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.

3.2 Disclaimer

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.

3.3 Applications

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

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a renounceable entitlement issue of 3 Shares for every 2 Shares held by Shareholders registered at the Record Date at an issue price of \$0.085 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 Share.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date) a maximum of 44,086,216 Shares and 44,086,216 New Options will be issued pursuant to this Offer to raise up to \$3,747,328.36. No funds will be raised from the issue of the New Options.

Entitlements for holders of Partly Paid Shares will be calculated in proportion to the amount paid up on their Partly Paid Shares at the Record Date. For example, all Partly Paid Shares are paid to \$0.01 of \$0.20 as at the date of this Prospectus, which would mean their entitlement is 3 Shares for every 40 Partly Paid Shares.

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.

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

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.

4.2 Minimum subscription

There is no minimum subscription.

4.3 What Eligible Shareholders may do

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

- (a) take up all of their Entitlement (refer to Section 4.4);
- (b) sell all of their Entitlement on ASX (refer to Section 4.5);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 4.6);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 4.7);

- (e) sell all or a proportion of their Entitlement other than on ASX (refer to Section 4.8); or
- (f) allow all or part of their Entitlement lapse (refer to Section 4.9).

4.4 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement applications for Securities under this Prospectus must be made by either:

- (a) completing and return the Entitlement and Acceptance Form accompanied by a cheque for the Application Monies (rounded up to the nearest whole cent) indicated on the Entitlement and Acceptance Form; or
- (b) completing a BPAY® payment (rounded up to the nearest whole cent) in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully. Under this method there is no need to return the Entitlement and Acceptance Form.

Payment by cheque

Cheques must be in Australian dollars, crossed "Not Negotiable" and made payable to "Antilles Oil and Gas NL" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the address specified on the Entitlement and Acceptance Form. The Company shall not be responsible for any delivery delays in the receipt of your cheque and completed Entitlement and Acceptance Form.

Payment by BPAY®

Payments via BPAY® must be made in accordance with the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and in Section 4.10. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delays in the receipt of the BPAY® payment.

4.5 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may

be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence and will cease at the dates set out in the timetable disclosed in Section 2.

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

4.6 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the application process described in Section 4.4 but only as it relates to the proportion of your Entitlement you wish to accept.

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

4.7 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement, complete the application process described in Section 4.4 but only as it relates to the proportion of your Entitlement you wish to accept.

You do not need to take any further action in respect of the balance of your Entitlement. The balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

4.8 Selling all or a proportion of your Entitlement other than on ASX

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

If you are a Shareholder on the issuer sponsored sub-register and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Securities they wish to subscribe for payable to "Antilles Oil and Gas NL" and crossed "Not Negotiable" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the address specified on the renunciation and transfer form. The Company shall not be responsible for any delivery delays in the receipt of the cheque and completed renunciation and transfer form.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS sub-register you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Securities the transferee of the Entitlement wants to acquire must be received by the Share Registry on or before the Closing Date at the address specified on the Entitlement and Acceptance Form. The Company shall not be responsible for any delivery delays in the receipt of the Application Monies.

4.9 Allow all or part of your Entitlement to lapse

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

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

4.10 Implications of an acceptance

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

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

4.11 Underwriting

The Company has entered an agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**Underwriter**) dated 22 May 2015 to underwrite the Offer to the amount of \$1,000,000 (**Underwritten Amount**) (11,764,706 Shares and 11,764,706 New Options).

Damian Black, a Director, is an employee of the Underwriter and will be paid a commission by the Underwriter in relation to the fees payable by the Company to the Underwriter pursuant to the Underwriting Agreement.

The Underwriter is required to subscribe for, or procure subscriptions for, the Underwriter Shortfall Securities (as defined in the table below and calculated in a manner consistent with the worked example below) on or before the issue date of the Securities under the Offer as detailed in the timetable set out in Section 2.

If the Shortfall is 100% of the Offer then the Underwriter is obligated to subscribe for \$1,000,000. For each acceptance of an Entitlement and each application by Eligible Shareholders under the Shortfall (i.e. in excess of their full Entitlement) received by the Closing Date the obligations of the Underwriter will be reduced on a proportionate basis.

Maximum amount that can be raised under the Offer	\$3,747,328.36
Total acceptances of Entitlements plus applications for Shortfall by eligible shareholders (i.e. in excess of their full Entitlement) received by the Closing Date (Valid Applications)	\$1,500,000 (or 40.03% of the maximum Offer amount)
Shortfall to the Offer (after acceptances of Entitlements plus applications for Shortfall by eligible	\$2,247,328.36

shareholders (i.e. in excess of their full Entitlement) received by the Closing Date but before allocation to the Underwriter)	(or 59.97% of the Offer)
Underwritten Amount relieved by Valid Applications	\$400,285.13 (or 40.03% of the Underwritten Amount)
Underwritten Amount remaining to be satisfied by Underwriter (rounded up the nearest whole cent following rounding up of the Underwriter Shortfall Securities to the nearest whole Share)	\$599,714.87 (or 59.97% of the Underwritten Amount)
Underwriter Shortfall Securities (based on the Underwritten Amount remaining to be satisfied by Underwriter)	7,055,469 Shares 7,055,469 New Options

The Underwriter will not acquire and will ensure that no other party acquires a relevant interest in more than 20% of the voting Shares on completion of the Offer as a result of any Shortfall being placed to the Underwriter (or its nominees).

Related party sub-underwriting

The Underwriter has entered into sub-underwriting agreements with the following related parties of the Company:

- (a) Jack Hamilton, Director to an amount of \$75,000.01 (882,353 Shares and 882,353 New Options); and
- (b) Brijohn Nominees Pty Ltd, an entity controlled by Damian Black, a Director, to an amount of \$75,000.01 (882,353 Shares and 882,353 New Options).

In the event the Underwritten Amount the Underwriter is required to satisfy is reduced from \$1,000,000 due to Valid Applications the amounts the sub-underwriters will be required to provide will be scaled back on a proportionate basis.

The Underwriter has agreed to pay these sub-underwriters a fee of 4% (excluding GST) of the actual amount the sub-underwriters are required to subscribe for and the Underwriter will satisfy this fee from the underwriting fee payable by the Company to the Underwriter.

Pursuant to the Underwriting Agreement and in consideration for the Underwriter's underwriting obligations, the Company has agreed to pay the Underwriter a fee of 6% (excluding GST) of the net amount of the Underwritten Amount less the Underwritten Amount relieved by Valid Applications (as defined in the table above setting out a worked example) but calculated as though Valid Applications do not include applications for Shortfall by eligible shareholders (i.e. in excess of their full Entitlement) received by the Closing Date. If the Shortfall is 100% of the Offer then the fee payable to the Underwriter will be \$60,000 (excluding GST). Based on the worked example above and assuming the Valid Applications are all acceptances of Entitlements the underwriting fee payable would be \$35,982.89 (excluding GST).

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. Refer to Section 8 for details of the terms of the underwriting.

4.12 Shortfall Offer

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

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.085 being the price at which Shares have been offered under the Offer with the New Options attaching to Shares issued under the Shortfall in the same ratio as offered under the Offer.

Applications for Securities under the Shortfall Offer must be made using the Shortfall Application Form, for a minimum of \$2,000 and payment for the Shares must be made in full at the issue price of \$0.085 per Share (with the total application amount rounded up to the nearest whole cent).

Completed Shortfall Application Forms and accompanying cheques, made payable to "Antilles Oil and Gas NL" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Shortfall Application Form by no later than three months following the Closing Date. However, the Company reserves the right to close the Shortfall Offer early so applicants are encouraged to submit their applications by the Closing Date of the Offer.

The Shortfall Offer will only be made to applicants with a registered address in Australia (or Eligible Shareholders in New Zealand or the United Kingdom). No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Shortfall Offer in any jurisdiction outside Australia (other than in respect of Eligible Shareholders in New Zealand or the United Kingdom). Applicants with a registered address in countries other than Australia (and who are not an Eligible Shareholder in New Zealand or the United Kingdom) 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. If you are an Applicant with a registered address in countries other than Australia (and are not an Eligible Shareholder in New Zealand or the United Kingdom) it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Shortfall Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Eligible Shareholders applying for in excess of their full Entitlement will have priority under the Shortfall Offer subject to applications being received by the Closing Date of the Offer. In the event of oversubscription from these applications they will be scaled back on a pro-rata basis.

Any remaining Shortfall will be subscribed for by the Underwriter in satisfaction of their commitment under the Underwriting Agreement and thereafter the Company reserves the right to issue Shortfall Securities at its absolute discretion.

No issue will be made under the Shortfall Offer if this would result in a person acquiring a relevant interest in more than 20% of the voting Shares immediately following that issue.

As noted in Section 4.17, the Company reserves the right to pay a commission of up to 6% (exclusive of GST) on certain applications lodged and accepted by the Company for the Shortfall.

4.13 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.

4.14 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 in respect of applications made by Eligible Shareholders in excess of their full Entitlement and received by the Closing Date and any Securities to be issued to the Underwriter in satisfaction of the their commitment under the Underwriting Agreement will be issued on the same day as Securities issued under the Offer. Any further Securities issued pursuant to the Shortfall Offer will be on a progressive basis until fully subscribed or the closing date of the Shortfall Offer (being a maximum of 3 months after the Closing Date of the Offer). 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.

4.15 Jurisdictions in which Offer will be made

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to

Shareholders with a registered address which is outside Australia, New Zealand or the United Kingdom.

New Zealand

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

United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares or the New Options. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares or the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

Nominee holders

Shareholders resident in Australia, New Zealand or the United Kingdom 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.

4.16 Nominee for Ineligible Shareholders

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

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

CPS Capital Group Pty Ltd will charge a fee of \$2,000 (excluding GST) plus 1% (excluding GST) of the proceeds of sale of the Entitlements of Ineligible Shareholders. These fees will be paid out of the proceeds of the sale of the Entitlements of Ineligible Shareholders but where these proceeds are insufficient to cover the fixed fee of \$2,000 (excluding GST) that fee will be payable by the Company.

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

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

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse in which case they will revert to the Shortfall Offer.

4.17 Broker's commissions

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company for the Shortfall and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

4.18 Enquiries

Any questions concerning the Offer should be directed to Ranko Matic, Company Secretary, on +61 8 9226 4500.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$3,747,328.36. No funds will be raised from the issue of the New Options.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drilling a well in block 105	3,125,000.00	83.40%
2.	Completion of seismic reprocessing	100,000.00	2.66%
3.	Expenses of the Offer ¹	276,000.00	7.37%
4.	Working capital	246,328.36	6.57%
	Total	3,747,328.36	100.00%

Notes:

1. Refer to Section 9.8 for further details relating to the estimated expenses of the Offer.

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.

In the event the Company raises less than the full subscription the shortfall of funds will (after reducing any variable component of expenses of the Offer) first reduce working capital and then completion of seismic reprocessing and lastly drilling a well in block 105. In the event only the underwritten amount of \$1,000,000 is raised the Company will have sufficient funds to complete the planning and ordering of long lead items required for the drilling of a well in block 105. However, in order to commence drilling the well the Company would need to obtain funds from alternative sources such as a partnering process. There is 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. If the Company is unable to obtain additional financing as needed, it will be required to defer the drilling of a well in block 105.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,471,328.36 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 28,790,811 as at the date of this Prospectus to 72,877,027 Shares following complete of the Offer; and

- (c) increase the number of Options on issue from Nil as at the date of this Prospectus to 44,086,216 Options following completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 April 2015 and the unaudited pro-forma balance sheet as at 30 April 2015 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 Convertible Securities are converted or additional amounts paid up on Partly Paid Shares 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 30 April 2015	PROFORMA 30 April 2015
CURRENT ASSETS		
Cash ¹	321,900	3,793,228
Receivables/Security Bonds	1,319,316	1,319,316
TOTAL CURRENT ASSETS	1,641,216	5,112,544
NON-CURRENT ASSETS		
Exploration	1,064,432	1,064,432
Property, Plant & Equipment	46,144	46,144
TOTAL NON-CURRENT ASSETS	1,110,576	1,110,576
TOTAL ASSETS	2,751,792	6,223,120
CURRENT LIABILITIES		
Trade and other payables	254,147	254,147
TOTAL CURRENT LIABILITIES	254,147	254,147
TOTAL LIABILITIES	254,147	254,147
NET ASSETS (LIABILITIES)	2,497,645	5,968,973
EQUITY		
Share capital ²	32,331,863	35,803,191

	UNAUDITED 30 April 2015	PROFORMA 30 April 2015
Reserves	1,502,400	1,502,400
Accumulated losses	(31,336,618)	(31,336,618)
TOTAL EQUITY	2,497,645	5,968,973

Notes:

	UNAUDITED 30 April 2015	PROFORMA 30 April 2015
1. Cash		
Opening balance	321,900	321,900
Add: Cash raised through Rights Issue	-	3,747,328
Less: Capital raising costs	-	(276,000)
Closing balance	321,900	3,793,228
2. Share Capital		
Opening balance	32,331,863	32,331,863
Add: Shares issued through Rights Issue	-	3,747,328
Less: Capital raising costs	-	(276,000)
Closing balance	32,331,863	35,803,191

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 Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date, is set out below.

Shares

	Number
Shares on issue as at the date of this Prospectus	28,790,811
Shares offered pursuant to the Offer	44,086,216
Total Shares on issue after completion of the Offer¹	72,877,027

Notes:

¹ The Company announced on 20 May 2015 it was finalising a placement of up to 3,387,000 Shares and 3,387,000 options on the same terms as the New Options to raise up to \$287,895 before costs. It is intended the Company will issue these Shares and Options on or about 2 June 2015. As these Shares will be issued after the Record Date they will not result in additional Entitlements. If the maximum number of Shares offered under this placement are issued then the total Shares on issue after completion of the Offer (assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date) would be 76,264,027.

Partly Paid Shares

	Number
Partly Paid Shares currently on issue:	
• Paid to \$0.01 and payable to \$0.20 on or before 10 September 2019 ¹	9,000,000
• Paid to \$0.01 and payable to \$0.20 on or before 10 November 2019 ¹	3,000,000
Partly Paid Shares offered pursuant to the Offer	Nil
Total Partly Paid Shares on issue after completion of the Offer²	12,000,000

Notes:

¹ The full terms and conditions have previously been disclosed in the notice of meeting released to ASX on 11 July 2014.

² Subject to Shareholder approval at a meeting scheduled for 27 May 2015 the Company will issue a further 3,000,000 Partly Paid Shares (paid to \$0.01 at issue and payable to \$0.20 on or before that date which is 1 day before the date that is 5 years from the date of issue) to Jack Hamilton (or his nominee). The full terms and conditions of these Partly Paid Shares are disclosed in the notice of meeting released to ASX on 29 April 2015. These Partly Paid Shares will be issued after the Record Date and will not result in additional Entitlements. If these Partly Paid Shares are issued to Jack Hamilton then the total Partly Paid Shares on issue after completion of the Offer (assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date) would be 15,000,000.

Options

	Number
Options on issue as at the date of this Prospectus	Nil
New Options offered pursuant to the Offer (Quoted exercisable at \$0.10 on or before 31 January 2017)	44,086,216
Total Options on issue after completion of the Offer^{1,2,3}	44,086,216

Notes:

¹ The Company announced on 20 May 2015 it was finalising a placement of up to 3,387,000 Shares and 3,387,000 options on the same terms as the New Options to raise up to \$287,895 before costs. It is intended the Company will issue these Shares and Options on or about 2 June 2015.

² Subject to Shareholder approval at a meeting scheduled for 27 May 2015 the Company will issue a further 3,000,000 Options (exercisable at \$0.20 on or before that date which is 5 years from the date of issue) to Gary Grubitz (or his nominee). The full terms and conditions of these Options are disclosed in the notice of meeting released to ASX on 29 April 2015.

³ If the maximum number of Options offered under the placement and to be issued to Gary Grubitz are issued then the total Options on issue after completion of the Offer (assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date) would be 50,473,216.

Performance Rights

	Number
Performance Rights on issue as at the date of this Prospectus:	
• Class A ¹	10,300,000
• Class B ²	2,300,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer³	12,600,000

Notes:

¹ Each Class A Performance Right converts into one Share on the acquisition of a project by the Company in the South American/Caribbean region with significant exploration and/or exploitation potential on or before that date which is 3 years from the date of issue (on or before 11 September 2017 for 9,000,000 Class A Performance Rights and on or before 11 November 2017 for the remaining 1,300,000 Class A Performance Rights). The full terms and conditions have previously been disclosed in the notice of meeting released to ASX on 11 July 2014.

² Each Class B Performance Right converts into one Share on the completion of a further capital raising by the Company in excess of A\$10,000,000 or the Company achieving a market capitalisation of greater than A\$30,000,000 for five consecutive trading days on or before that date which is 3 years from the date of issue (on or before 11 September 2017 for 2,000,000 Class B Performance Rights and on or before 11 November 2017 for the remaining 300,000 Class B Performance Rights). The full terms and conditions have previously been disclosed in the notice of meeting released to ASX on 11 July 2014.

³ Subject to Shareholder approval at a meeting scheduled for 27 May 2015 the Company will issue a further 1,000,000 Class B Performance Rights to Jack Hamilton (or his nominee) converting on satisfaction of the same milestone as existing Class B Performance Rights but an expiry date of 3 years from the date of issue. The full terms and conditions of these Class B Performance Rights are disclosed in the notice of meeting released to ASX on 29 April 2015. If these Class B Performance Rights are issued to Jack Hamilton then the total Performance Rights on issue after completion of the Offer (assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date) would be 13,600,000.

Convertible Preference Shares

	Number
Convertible Preference Shares on issue as at the date of this Prospectus:	
• Class B ¹	5
• Class C ¹	2
• Class D ¹	2
Convertible Preference Shares offered pursuant to the Offer	Nil
Total Convertible Preference Shares on issue after completion of the Offer	9

Notes:

¹ Each Class B Convertible Preference Share will convert into 208 Shares upon the Company achieving production of 500 barrels of oil per day. The full terms and conditions have previously been disclosed in the Company's prospectus dated 24 April 2006.

² Each Class C Convertible Preference Share will convert into 208 Shares upon the Company achieving production of 1,000 barrels of oil per day. The full terms and conditions have previously been disclosed in the Company's prospectus dated 24 April 2006.

³ Each Class D Convertible Preference Share will convert into 208 Shares upon the Company achieving production of 1,500 barrels of oil per day. The full terms and conditions have previously been disclosed in the Company's prospectus dated 24 April 2006.

No Shares, Partly Paid Shares, Options, Performance Rights or Convertible Preference Shares are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Potential dilution from the Offer

The capital structure on a fully diluted basis as at the date of this Prospectus would be 53,392,683 Shares and on completion of the Offer (assuming all Entitlements are accepted, no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date but not including the additional Shares, Partly Paid Shares, Options, and Class B Performance Rights proposed to be issued under the placement announced to ASX on 20 May 2015 or subject to Shareholder approval the annual general meeting scheduled for 27 May 2015) would be 141,565,115 Shares (an increase of approximately 165.1%) and when including the additional Shares, Partly Paid Shares, Options, and Class B Performance Rights proposed to be issued under the placement announced to ASX on 20 May 2015 or subject to Shareholder approval the annual general meeting scheduled for 27 May 2015 would be 155,339,115 Shares (an increase of approximately 190.9%).

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 60% (as compared to their holdings and total number of Shares on issue as at the date of the Prospectus) if all the Securities offered under this Prospectus are issued (assuming no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date or prior to the issue of the Securities the subject of the Offer and not including the additional Shares, Partly Paid Shares, Options, and Class B Performance Rights proposed to be issued under the placement announced to ASX on 20 May 2015 or subject to Shareholder approval the annual general meeting scheduled for 27 May 2015).

5.6 Details of substantial holders

Based on publicly available information as at 22 May 2015, 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	%
Havoc Partners LLP	2,500,000	8.68
Jason Peterson	1,541,667	5.35

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

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. No shareholder is obliged to accept any Shares, securities or other assets in respect of which there is any liability

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 in accordance with section 254Q of the Corporations Act.

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

6.2 New Options

(a) **Entitlement**

Each 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 \$0.10 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 January 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **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) **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 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) Sovereign

The Company's project interests are situated in the USA and Peru. Accordingly, the Company is subject to the risks associated in operating in foreign countries. The risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with oil and gas exploration and production in the USA and Peru. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production and in turn may affect the viability and profitability of the Company.

(b) Contractual risk

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party, and the ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under these agreements. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

(c) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions including risks associated with operating in foreign jurisdictions.

7.3 Offer specific

(a) **Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Convertible Securities are converted or additional amounts paid up on Partly Paid Shares prior to the Record Date the number of Shares in the Company will increase from 28,790,811 currently on issue to 72,877,027. This means that each Share will represent a significantly lower proportion of the ownership of the Company. However, it is noted that if a Shareholder accepts their entitlement in full there will be no change to their percentage ownership in the Company if all other Shares under the Offer are issued.

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 trading price of Shares on ASX prior to the date of this Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.4 Industry specific

(a) **Exploration and Development Risks**

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

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.

Industry operating 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.

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) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment applicable in the jurisdiction of those activities. As with most production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or production proceeds. It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance

with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

7.5 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) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the

Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Securities 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 Securities 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 Securities under this Prospectus.

(f) **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.

7.6 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. UNDERWRITING

The Company has entered an agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**Underwriter**) dated 22 May 2015 to underwrite the Offer to the amount of \$1,000,000 (**Underwritten Amount**) (11,764,706 Shares and 11,764,706 New Options).

Damian Black, a Director, is an employee of the Underwriter and will be paid a commission by the Underwriter in relation to the fees payable by the Company to the Underwriter pursuant to the Underwriting Agreement.

The Underwriter is required to subscribe for, or procure subscriptions for, the Underwriter Shortfall Securities (as defined in the table below and calculated in a manner consistent with the worked example below) on or before the issue date of the Securities under the Offer as detailed in the timetable set out in Section 2.

If the Shortfall is 100% of the Offer then the Underwriter is obligated to subscribe for \$1,000,000. For each acceptance of an Entitlement and each application by Eligible Shareholders under the Shortfall (i.e. in excess of their full Entitlement) received by the Closing Date the obligations of the Underwriter will be reduced on a proportionate basis.

Maximum amount that can be raised under the Offer	\$3,747,328.36
Total acceptances of Entitlements plus applications for Shortfall by eligible shareholders (i.e. in excess of their full Entitlement) received by the Closing Date (Valid Applications)	\$1,500,000 (or 40.03% of the maximum Offer amount)
Shortfall to the Offer (after acceptances of Entitlements plus applications for Shortfall by eligible shareholders (i.e. in excess of their full Entitlement) received by the Closing Date but before allocation to the Underwriter)	\$2,247,328.36 (or 59.97% of the Offer)
Underwritten Amount relieved by Valid Applications	\$400,285.13 (or 40.03% of the Underwritten Amount)
Underwritten Amount remaining to be satisfied by Underwriter (rounded up the nearest whole cent following rounding up of the Underwriter Shortfall Securities to the nearest whole Share)	\$599,714.87 (or 59.97% of the Underwritten Amount)
Underwriter Shortfall Securities (based on the Underwritten Amount remaining to be satisfied by Underwriter)	7,055,469 Shares 7,055,469 New Options

The Underwriter will not acquire and will ensure that no other party acquires a relevant interest in more than 20% of the voting Shares on completion of the Offer as a result of any Shortfall being placed to the Underwriter (or its nominees).

Related party sub-underwriting

The Underwriter has entered into sub-underwriting agreements with the following related parties of the Company:

- (a) Jack Hamilton, Director to an amount of \$75,000.01 (882,353 Shares and 882,353 New Options); and
- (b) Brijohn Nominees Pty Ltd, an entity controlled by Damian Black, a Director, to an amount of \$75,000.01 (882,353 Shares and 882,353 New Options).

In the event the Underwritten Amount the Underwriter is required to satisfy is reduced from \$1,000,000 due to Valid Applications the amounts the sub-underwriters will be required to provide will be scaled back on a proportionate basis.

The Underwriter has agreed to pay these sub-underwriters a fee of 4% (excluding GST) of the actual amount the sub-underwriters are required to subscribe for and the Underwriter will satisfy this fee from the underwriting fee payable by the Company to the Underwriter.

Pursuant to the Underwriting Agreement and in consideration for the Underwriter's underwriting obligations, the Company has agreed to pay the Underwriter a fee of 6% (excluding GST) of the net amount of the Underwritten Amount less the Underwritten Amount relieved by Valid Applications (as defined in the table above setting out a worked example) but calculated as though Valid Applications do not include applications for Shortfall by eligible shareholders (i.e. in excess of their full Entitlement) received by the Closing Date. If the Shortfall is 100% of the Offer then the fee payable to the Underwriter will be \$60,000 (excluding GST). Based on the worked example above and assuming the Valid Applications are all acceptances of Entitlements the underwriting fee payable would be \$35,982.89 (excluding GST).

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, upon or at any time prior to the Issue Date, if:

- (a) **(Indices fall):** the S&P ASX 200 Index is at any time after the date of this Agreement 15% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) **(Prospectus):** the Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Offer is withdrawn by the Company;
- (c) **(Supplementary prospectus):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (o)(iv), forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;
- (d) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Securities;
- (e) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (f) **(Restriction on issue):** the Company is prevented from issuing the Securities to the Underwriter as required by the Underwriting Agreement within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (g) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (h) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (i) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (j) **(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, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (k) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a

terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world and the Underwriter believes (on reasonable grounds) that the outbreak or escalation or terrorist act is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by paragraph (a);

- (l) **(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;
- (m) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (n) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (o) **(Termination Events)**: upon the occurrence of any of the following events subject to in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act:
 - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iii) **(Contravention of constitution or Act)**: a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them;
 - (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

- (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (x) **(Prescribed Occurrence):** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (xi) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xii) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiii) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xiv) **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Securities underwritten by the Underwriter without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xv) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvi) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 5 business days;
- (xvii) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;

- (xviii) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xx) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified;
- (xxi) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

Terms defined in the summary of the Underwriting Agreement have the same meaning as in the Underwriting Agreement as included below.

Contracts means all material agreements of the Company as disclosed to ASX together with any other material agreements described in the Prospectus.

Due Diligence Program means the investigations of the assets and affairs of each Relevant Company implemented under a resolution of the Board for the purpose of preparing and verifying the Prospectus and ensuring that the Prospectus complies with the Corporations Act.

Due Diligence Results means the results of the investigations which make up the Due Diligence Program, as maintained by the Company including but not limited to any reports of the Board and all supporting documents and work papers to which the Due Diligence Program relates.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or

- (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

Material Adverse Effect means:

- (a) a material adverse effect on the Offer or on the subsequent market for the Securities (including, without limitation, a material adverse effect on a decision of an investor to invest in Securities); or
- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Prospectus or on conversion of convertible securities on issue as at the date of this Agreement or as previously notified to the Underwriter prior to the date of this Agreement);
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;

- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Relevant Company means the Company and each company which is now, or before the issue of Securities under the Offer becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Shortfall Notice Deadline Date means within 3 business days after the Closing Date or any other date agreed in writing between the Company and the Underwriter as the date by which the Company must give the Underwriter written notice of the Underwriter Shortfall Securities.

Verification Material means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Prospectus, as inspected and approved by the Underwriter immediately before the date of lodgement with ASIC of the Prospectus.

9. ADDITIONAL INFORMATION

9.1 Company strategy

As part of its business strategy, the Company has made and may continue to make bids in relation to acquisitions of, or significant investments in, complementary companies or prospects. In the event a bid is accepted the Company will inform the market in accordance with its continuous disclosure obligations. Transactions resulting from a successful bid will be accompanied by risks commonly encountered in making such acquisitions and likely require the Company to use some of its cash reserves to complete such an acquisition and develop the asset acquired.

9.2 Litigation

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

9.3 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
21/05/2015	Update on Rights Issue Timetable
20/05/2015	Placement and Renounceable Rights Issue to Shareholders
18/05/2015	Trading Halt
15/05/2015	Antilles Acquires Rights to Technical Evaluation Agreement
30/04/2015	Quarterly Activities Report
30/04/2015	Quarterly Cashflow Report
29/04/2015	Notice of Annual General Meeting/Proxy Form
21/04/2015	Economically Attractive Prospective Resources of 29.6MMBO
20/04/2015	Appendix 3B and Cleansing Notice
02/04/2015	Expiry of unlisted options.
02/04/2015	Expiry of Unlisted Options
27/03/2015	Updated Investor Presentation - March 2015
26/03/2015	Investor Presentation March 2015
23/03/2015	Antilles Acquires Large Prospective Block Onshore Peru

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.antillesoilandgas.com.au.

9.4 Market price of Shares

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

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

Highest	\$0.15	14 April 2015
Lowest	\$0.06	9 March 2015
Last	\$0.085	22 May 2015

9.5 Interests of Directors

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

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

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

- (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	Partly Paid Shares ¹	Convertible Securities ²
Jack Hamilton ³	350,000	Nil	Nil
David Ormerod ⁴	1,182,875	6,000,000	8,000,000 Class A Performance Rights

			1,000,000 Class B Performance Rights
Damian Black ⁵	1,426,209	6,000,000	1,000,000 Class A Performance Rights 1,000,000 Class B Performance Rights
Gary Grubitz ⁶	Nil	Nil	Nil

Notes:

¹ Each Partly Paid Share is paid to \$0.01 and payable to \$0.20 on or before 10 September 2019. The full terms and conditions have previously been disclosed in the notice of meeting released to ASX on 11 July 2014.

² Class A Performance Right converts into one Share on the acquisition of a project by the Company in the South American/Caribbean region with significant exploration and/or exploitation potential on or before 11 September 2017 and each Class B Performance Right converts into one Share on the completion of a further capital raising by the Company in excess of A\$10,000,000 or the Company achieving a market capitalisation of greater than A\$30,000,000 for five consecutive trading days on or before 11 September 2017. The full terms and conditions have previously been disclosed in the notice of meeting released to ASX on 11 July 2014.

³ Entitlement is 525,000 Shares and 525,000 New Options and application amount is \$44,625. In addition, Jack Hamilton has agreed to sub-underwrite up to \$75,000.01 (882,353 Shares and 882,353 New Options). Subject to Shareholder approval at a meeting scheduled for 27 May 2015 the Company will issue a further 3,000,000 Partly Paid Shares (paid to \$0.01 at issue and payable to \$0.20 on or before that date which is 1 day before the date that is 5 years from the date of issue) to Jack Hamilton (or his nominee) and 1,000,000 Class B Performance Rights to Jack Hamilton (or his nominee) converting on satisfaction of the same milestone as existing Class B Performance Rights but an expiry date of 3 years from the date of issue. The full terms and conditions of these Partly Paid Shares and Class B Performance Rights are disclosed in the notice of meeting released to ASX on 29 April 2015. These Partly Paid Shares will be issued after the Record Date and will not result in additional Entitlements.

⁴ Entitlement is 2,224,313 Shares and 2,224,313 New Options and application amount is \$189,066.61.

⁵ Entitlement is 2,589,314 Shares and 2,589,314 New Options and application amount is \$220,091.69. In addition, Brijohn Nominees Pty Ltd (an entity controlled by Damian Black) has agreed to sub-underwrite up to \$75,000.01 (882,353 Shares and 882,353 New Options).

⁶ No Entitlement. Subject to Shareholder approval at a meeting scheduled for 27 May 2015 the Company will issue a further 3,000,000 Options (exercisable at \$0.20 on or before that date which is 5 years from the date of issue) to Gary Grubitz (or his nominee). The full terms and conditions of these Options are disclosed in the notice of meeting released to ASX on 29 April 2015.

The Board recommends all Shareholders take up their Entitlement.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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

Director	FY 2015	FY 2014	FY 2013
Jack Hamilton	\$60,000	\$30,000	Nil
David Ormerod	\$344,137	\$1,260,844	Nil
Damian Black	\$60,000	\$240,000	Nil
Gary Grubitz	\$60,000	\$20,000	Nil

9.6 Interests of experts and advisers

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

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

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

- (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 act as the underwriter to the Offer and will be paid an underwriting fee by the Company of \$60,000 (excluding GST) for these services. CPS Capital Group Pty Ltd will also act as nominee for Ineligible

Shareholders pursuant to ASX Listing Rule 7.7.1(c) and the Company will be required to pay a fee of up to \$2,000 (excluding GST) for these services but only in the event the proceeds from the sale of Entitlements of Ineligible Shareholders is insufficient to cover this fee. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has been paid fees totalling \$289,712 (excluding GST) 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 \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$85,235 (excluding GST and disbursements) for legal services provided to the Company.

9.7 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;

CPS Capital Group Pty Ltd has given its written consent to being named as underwriter to the Offer and nominee for Ineligible Shareholders pursuant to ASX Listing Rule 7.7.1(c), in the form and context in which it is named. CPS Capital Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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.

9.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$276,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	16,767
Underwriting fees ¹	60,000
Broker's commissions ²	164,840
Nominee fees ³	2,000
Legal fees	15,000
Printing and distribution	12,000
Miscellaneous	3,103
Total	<u>276,000</u>

Notes:

¹ Underwriting fees will only be paid on certain applications under the Shortfall (refer to Section 4.11 for further information on how the underwriting fee is calculated). The amount included above is based on a 100% Shortfall, resulting in the Underwriter subscribing for the full \$1,000,000 of the Underwritten Amount. It is noted that for every Entitlement accepted that

results in the actual amount the Underwriter needs to subscribe for to satisfy its obligations under the Underwriting Agreement the underwriting fee payable will be reduced and in turn the expenses of the Offer will be reduced. In the event the expenses of the Offer are reduced, the additional funds will be put towards working capital.

² Brokers' commissions will only be paid on certain applications under the Shortfall (refer to Section 4.12 for further information). The amount calculated is based on a 100% Shortfall after the Underwritten Amount of \$1,000,000 as fees for the Underwritten Amount are already accounted for in the Underwriting fees amount. Therefore, for every Entitlement accepted that results in the Offer raising more than \$1,000,000, the expenses of the Offer will be reduced. In the event the expenses of the Offer are reduced, the additional funds will be put towards working capital.

³ As disclosed in Section 4.16, CPS Capital Group Pty Ltd will charge a fee of \$2,000 (excluding GST) plus 1% (excluding GST) of the proceeds of sale of the Entitlements of Ineligible Shareholders. These fees will be paid out of the proceeds of the sale of the Entitlements of Ineligible Shareholders but where these proceeds are insufficient to cover the fixed fee of \$2,000 (excluding GST) that fee will be payable by the Company. For the purposes of calculating the expenses of the Offer the maximum fee payable for the nominee sale process has been included. In the event the fee payable by the Company for this process is less the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

9.9 Electronic prospectus

The Corporations Act allows distribution of an electronic copy of this prospectus and an electronic application form on the basis of a paper prospectus lodged with the ASIC.

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 9226 4500 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.antillesoilandgas.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.

9.10 Financial forecasts

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

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

The Company will not be issuing share 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 Securities 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 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.

9.12 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.

10. DIRECTORS' AUTHORISATION

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

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

David Ormerod
Managing Director
For and on behalf of
Antilles Oil and Gas NL

11. 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 Antilles Oil and Gas NL (ACN 111 823 762).

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

Convertible Securities means securities issued by the Company which may give the holder the right to be issued Shares on valid conversion.

Corporations Act means the Corporations Act 2001 (Cth).

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

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

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

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

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

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

Offer means the 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.

Partly Paid Share means a partly paid ordinary share in the capital of the Company.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Securities means Shares and New Options or either one of them as the context requires.

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

Shareholder means a registered holder of a Share or Partly Paid 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 4.12.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

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