

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

PROSPECTUS

For the offer of up to 1,000 Shares each at an issue price of \$0.05 per Share

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE BONUS ISSUE SHARES

THIS OFFER CLOSES AT 5.00PM AWST ON 12 NOVEMBER 2018

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

CORPORATE DIRECTORY

Directors
Mr Ray Barnes (Non Exec. Chairman) Mr Dougal Ferguson (Managing Director) Mr Scott Patrizi (Non Exec. Director)
Company Secretary
Mr Dougal Ferguson
Registered and Corporate Office
1202 Hay Street West Perth WA 6005 Australia
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Stock Exchange Listing
Australian Securities Exchange Home Exchange: Perth, WA ASX Code: EXR

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

IMPORTANT INFORMATION

This Prospectus is dated 8 November 2018. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at 1202 Hay Street, West Perth, WA 6005 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

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

No action has been taken to permit the Offer of Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus 1,000 Shares each at an issue price of \$0.05 per Share (**Offer**).

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

As announced on 1 November 2018, the Company is undertaking a pro rata issue of new Shares to eligible Shareholders on the basis of one (1) new Share for every six (6) Shares held at the record date (**Bonus Issue**).

Eligible shareholders are Shareholders that have a registered address in Australia or New Zealand on the record date (**Eligible Shareholders**).

New Shares are being issued to Eligible Shareholders under the Bonus Issue in recognition of the patience that Shareholders have displayed with the delays that have occurred with respect to the closing of the acquisition of Golden Horde Limited ("GOH"), which is now due to occur in early December 2018 subject to Shareholder approval.

It is anticipated that up to a maximum 42,407,812 new Shares (**Bonus Issue Shares**) will be issued under the Bonus Issue. Upon completion of Bonus Issue, the Company will have approximately 296.9 million fully paid Shares on issue (refer to Section 3.1 for further details).

The Company will announce the actual number of new Shares issued under the Bonus Issue on completion of the Bonus Issue, which is expected to occur on Friday, 9 November 2018. The Bonus Issue Shares are fully paid ordinary shares in the Company ranking equally in all respects with Company's existing shares on issue.

As per the indicative timetable below, the record date for determining entitlements of Eligible Shareholder to new Shares under the bonus issue is at 5pm (WST) on Wednesday, 7 November 2018. Where an Eligible Shareholder's total entitlement includes an entitlement to a fraction of a new Share, that entitlement will be rounded down to the nearest whole number of Shares.

The indicative timetable for the Bonus Issue is as follows:

Event	Date
Announcement of Bonus Issue to ASX and applies for quotation	Thursday, 1 November 2018
Last day for trading of Elixir Shares on a "cum" Bonus Issue entitlement basis (Elixir shares acquired after this date will not be entitled to participate in the Bonus Issue)	Monday, 5 November 2018
Start of trading of Elixir Shares on an "ex" Bonus Issue entitlement basis	Tuesday, 6 November 2018
Time and date to determine entitlements under the Bonus Issue (Record Date)	Wednesday, 7 November 2018 at 5pm (WST)
Bonus shares issued to Shareholders of Elixir (deferred settlement trading ends)	Friday, 9 November 2018

As also announced 1 November 2018, following completion of the Bonus Issue, the Company is proposing to undertake a non-renounceable pro-rata issue of new Options to eligible existing Shareholders on a one (1) for four (4) basis (**Rights Issue**). It is currently proposed that new Options will be issued for 1 cent each and will be exercisable at 7.5 cents on or before 30 September 2019. The Company intends to apply to ASX for listing of the new Options issued pursuant to the Rights Issue. Further details in relation to the Rights Issue will be released by the Company in due course once finalised.

This Prospectus has been issued to facilitate secondary trading of the Bonus Issue Shares as they will be issued to Eligible Shareholders without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Shares the subject of this Prospectus to on-sell those Shares within 12 months of their issue.

The Company is not issuing the Bonus Issue Shares with the purpose of the persons to whom they are being issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Bonus Issue Shares does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm AWST on the Closing Date, being 12 November 2018, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Application for Shares

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "Elixir Petroleum Limited – Applications Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be mailed to Elixir Petroleum Limited, PO Box 180, West Perth, WA, 6872 or delivered to the Company's registered office.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until

the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.6 Issue of Shares

The Company may issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares offered under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Security Transfer Australia Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares 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 or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2018 is in the Annual Report which was lodged with ASX on 28 September 2018 and is available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 28 September 2018 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9226 2111.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Commodity price volatility risk

It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, 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.

The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale.

The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.

(b) Country Risk

If the Company exercises the GOH Option, the Company will have a significant exposure to Mongolia including exposure to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of the Mongolian CBM PSC, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes to oil and gas exploration policies or shifts in political attitude in Mongolia may adversely affect the Company's operations and may have a material adverse effect on the Company's overall financial performance. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people and, water use. Failure to comply strictly with applicable laws, regulations

and local practices relating to exploration or production activities, could result in loss, reduction or expropriation of interests.

The legal system in Mongolia may be less developed than more established countries, which may result in risk such as: (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental agencies; (iii) the lack of political or administrative guidance on implementing applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and court in such matters. There can be no assurance that joint ventures, licences (or licence applications), permits (or permit applications) or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of the enforcement of such arrangements cannot be assured.

(c) **Permit grant and maintenance risk**

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing acreage in the future.

The lease, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time to time and might impact the cost base and hence profitability of a particular project.

If the Company exercises the GOH Option, the Mongolia CBM PSC will require the Company, via its then wholly owned subsidiary GOH LLC, to meet certain annual expenditure commitments to retain the CBM PSC during the exploration phase. The Company, through GOH LLC, may be prevented from achieving these annual expenditure commitments for unforeseen reasons outside the control of the Company or due to lack of funding. If this were to occur, the CBM PSC may be cancelled or terminated prior to the CBM PSC expiry date, which may have a material adverse effect on the Company's overall financial performance.

The Alaskan Leases will require the Company to pay an annual lease rental fee to maintain the Alaskan Leases. Should the Company fail to pay the annual lease rentals, then the Alaskan Leases may be cancelled or terminated before the Company is able to fully exploit them, which may have a material adverse effect on the Company's overall financial performance.

In France, oil and gas exploration and production activities are carried out under permits awarded to parties by the French Government in accordance with the terms of the Mining Code 1955 and associated regulations. During the exploration phase, and prior to the determination of a production area, permits have a fixed duration. The initial five year term for the permit comprising the Company's Moselle Project in France expired in January 2014 and a renewal was finally awarded for a second five year term in December 2017, expiring on 20 January 2019.

The Company lodged its application for a three-year extension of the second exploration period on 5 April 2018, which if granted will extend the expiry of the second exploration period to 20 January 2022. The Company also has the right to apply for a third exploration period on expiry of the second exploration period, which will extend the term of the Moselle Permit for a further five years, subject to the Company continuing to meet its license obligations within the second exploration period and a relinquishment of a

further 25% of the original license area. Given the extensive delays in receiving the renewal into the second exploration period, the Company may not be in a position to meet its expenditure commitments in the second exploration period and therefore there is a risk that the Company will not be successful in obtaining an extension of the second exploration period or being granted a renewal of the Moselle Permit into a third exploration period.

(d) **Exploration and development risks**

Oil and gas exploration involves significant risks including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas or CBM gas production. Selecting a drilling location is influenced by the interpretation of geological, geophysical and seismic data, which is a subjective science and has varying degrees of success. Other factors, including land access rights and regulatory rules, may impact the Company's decisions with respect to well locations. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The costs of drilling, completing, equipping and operating wells are typically uncertain before drilling commences.

The area covered by the Mongolian CBM PSC is at an early stage of exploration. If the GOH Option is exercised by the Company, there is no certainty that exploration within the Mongolian CBM PSC area will result in the discovery of an economic CBM deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the remote location and the lack of infrastructure in the region.

The Alaskan Leases are also at an early stage of exploration. There can be no certainty that exploration of the Leases will result in the discovery of an economic oil or gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the remote location and the lack of infrastructure in the region.

The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities in close proximity to its projects. If the results obtained by other companies are positive then this will likely increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this will likely decrease the value of the Company's Shares.

(e) **Drilling Risks**

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

(f) **CBM dewatering process**

CBM resources, if discovered, usually require dewatering before they enter the gas production phase. There can be no guarantee that the dewatering of the formations that allow gas to flow will occur in a timely fashion to allow commercial gas production to commence. Additionally, the process of dewatering may produce large volumes of water and there are costs associated with water disposal which may have an adverse effect on the commerciality of the CBM resource.

The Mongolian CBM PSC is the first CBM PSC to be awarded in Mongolia under its Petroleum Law of 2014 and the regulations with respect to water disposal are not yet fully developed. Should Mongolia not adopt current industry best practice regulations with respect to water disposal, there may be an adverse impact on the value of the Company's assets and future financial performance if the Company exercises the GOH Option and proceeds with drilling and if successful, a subsequent dewatering process.

(g) **Infrastructure access**

The Company's future performance is likely to be impacted by its ability to access infrastructure, including various equipment and facilities required for the production, processing and commercialisation of the Company's assets and product transportation routes, including access to pipelines and associated infrastructure. The ability of the Company to access infrastructure economically or at all is largely outside of the control of the Company and therefore may have an adverse impact on the Company's future performance. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to unexpected issues which could adversely effect the operations and financial performance of the Company.

(h) **Commercialisation of Discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(i) **Additional requirements for capital**

Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. In particular, if the Company exercises the GOH Option, it is proposing to conduct seismic acquisition and drilling in 2019 in Mongolia which, in addition to the leasing activities in Alaska, are projected to have a cost over and above the Company's existing cash resources. The Directors consider that the Company will be sufficiently funded to meet its medium term objectives, however additional funding will be required to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

There can be no assurance that additional finance will be available when needed. Any additional equity financing may be dilutive to the Company's existing Shareholders and any additional debt financing, if available, may be on terms that are not favourable to the Company or involve restrictive covenants, which limit the Company's operations and

business strategy. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of the Company's activities and potential development programs.

(j) **Exchange rate fluctuation risk**

The Company's oil and gas projects are currently, or proposed to be, located in Mongolia, France and the USA. As a result, the majority of cash flows, expenses, capital expenditure and commitments will be denominated in United States dollars, Euros and to a lesser extent, the local Mongolian currency (Tughriks). To the extent the Company may become involved in petroleum production, the revenue derived through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of foreign currencies to Australian Dollars.

(k) **Environmental risks**

The Company's operations will be subject to environmental laws and regulations, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. The government and other authorities that administer and enforce environmental laws and regulations determine these requirements. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable petroleum reserves.

If the Company fails to comply with environmental laws and regulations regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. The Company may also become liable for environmental damage caused by any previous owners of licence areas the Company will have an interest in.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities. There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company is unable to predict the effect of any new environmental laws, regulations or stricter enforcement policies, once implemented, including whether any such laws or regulations would increase the Company's cost of doing business or affect its operations in any area.

(l) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

There are a number of uncertainties with the acquisition of interests in properties including, the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on future operations and the Company's financial position.

(m) **Hydrocarbon reserve estimates**

Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.

(n) **Reliance on key personnel and key contractors**

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Further, the Company relies on contractors. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. The loss of one or more contracts with key contractors may lead to an increase in the Company's operational costs. The Company is unable to predict the risk of financial, managerial, operational or other failures by any of its contractors, any of which could have a material adverse effect on the operations and financial performance of the Company.

(o) **Acquisition of GOH**

The Company has entered into an option agreement with GOH to acquire the all of the shares of GOH (**GOH Option**).

The GOH Option is due to expire on 30 November 2018 and remains subject to conditions precedent, including the receipt of Shareholder approval to issue the Consideration Shares. Shareholders approved the issue of the Consideration Shares at general meetings of the Company held on 30 November 2017 and 19 April 2018, however further Shareholder approval is required as the acquisition of GOH did not occur within the three month time limit to issue the Consideration Shares under the Listing Rules. Shareholder approval for the issue of the Consideration Shares is being sought at the Company's annual general meeting to be held on Wednesday, 28 November 2018. There is a risk that the Company will not exercise the GOH Option due to failure of GOH or the Company to satisfy any of the remaining conditions precedents, including receipt of Shareholder approval to issue the Consideration Shares to GOH shareholders.

(p) **Acquisition of Alaskan Leases**

The Company has signed a Binding Terms Sheet to acquire the Alaskan Leases (**Alaskan Acquisition**). The Company has completed all the necessary steps required by 31 October 2018 to allow completion to occur in accordance with the terms of the Binding Terms Sheet. Completion is due to occur in November, pending confirmation that the Alaskan Leases have been assigned and recorded by the regulator, the Bureau of Land Management (**BLM**). The Company is in the process of posting a cash backed bond with the BLM which, when accepted, will allow the Leases to be assigned to the Company and completion to occur. There is a risk that the Company will may not be

able to complete the Alaskan Acquisition if the BLM does not approve the assignment of the Alaskan Leases to the Company or if the Company is not able to procure the lease bond required by the BLM.

(q) **Contingent Liabilities**

Cottesloe Oil and Gas LLC (**Cottesloe**), a wholly owned subsidiary of the Company, was a party to a Joint Operating Agreement (**JOA**) with amongst others, Buccaneer Resources LLC (**Buccaneer**), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project. During 2011 the operator of Pompano proposed activities which Cottesloe declined to participate in thus impacting Cottesloe's status and future rights and obligations under the JOA. The remaining JV partners ultimately elected to shut in the wells and relinquish the two associated leases during 2012 with abandonment obligations remaining outstanding. The Company became aware that Buccaneer applied for and was granted Chapter 11 protection in the United States and Australia post the end of the 2014 financial year. As at the date of this Prospectus, the Company has not been made aware of any claims from Buccaneer or any of its creditors.

It is unclear whether Cottesloe is still a party to the JOA, but if this is the case, there is the possibility that in the event of a default by Buccaneer on its share of the abandonment cost of the platform, associated infrastructure and the wells, then Cottesloe will potentially be liable for its increased proportionate share of the cost. Cottesloe's only significant asset is a cash backed bond of US\$580,208 in favour of the previous owner of the platform and associated infrastructure which can be called upon in the event Cottesloe defaults on its share of the abandonment costs of this infrastructure. The cash backed bond provided by Cottesloe does not extend to any costs of abandoning the wells. There is no parent company guarantee in place between the Company and any of the other co-venturers in the Pompano project and therefore there is limited recourse to the Company or any other subsidiary of the Company should a claim be made on Cottesloe for an amount in excess of its assets.

(r) **Regulation**

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws.

Permits are required in some of the areas in which the Company operates for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

(s) **Insurance**

Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents. It is not always possible to insure against all such risks or the Company may decide not to insure against certain risks because of high premiums or other reasons.

Although the Company will have insurance in place at levels considered appropriate for its operations and in accordance with industry practice, in certain circumstances the Company's insurance may not cover, or be adequate to cover, the consequence of such events which could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Shares.

(t) **Claims by Indigenous Inhabitants**

The oil and gas assets of the Company may be subject to land claims by indigenous people. Should this occur and be successful, the Company's ability to conduct exploration and/or development and production activities may be affected, which may have a material adverse effect on the Company's financial performance and the price at which its Shares trade.

The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties leased or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties leased or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with indigenous people in order to facilitate exploration and development work on the properties leased or owned by the Company.

The Company is not currently aware of any land claims or potential claims by indigenous people in respect of its proposed exploration activities that could affect tenure or any future production operations.

(u) **Competition**

The Company operates in a competitive and dynamic market. The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities and respond to the introduction of new technologies or technological advancements relating to drilling or other relevant operations (common in the oil and gas industry).

Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.

(v) **Substitution of oil and gas products as energy sources**

There are a number of alternative energy sources to energy sources from oil and gas products. These include renewable energy (ie wind, solar or hydroelectric), nuclear energy, geothermal and biomass. If the costs and commercial prices of such alternative energy sources fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the Company's overall financial performance and ability to operate in the oil and gas industry.

2.2 General Risks

(a) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.

(b) **Financial markets risks**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) 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 oil and gas securities 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) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

(d) **Investment risk**

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares 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 Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Effect of the Offer

3.1 Capital Structure

The capital structure of Company on completion of the Offer, assuming that the Bonus Issue, Rights Issue and acquisition of GOH are completed, is set out below.

	Shares	Options	Performance Rights
Balance at the date of this Prospectus	254,446,872 ⁽¹⁾	11,000,000 ⁽²⁾	5,000,000 ⁽³⁾
Bonus Issue Shares	42,407,812 ⁽⁴⁾	-	-
Consideration Shares and Performance Rights to be issued pursuant to completion of the acquisition of GOH ⁽⁵⁾	79,000,000	-	17,500,000 ⁽⁶⁾
Performance rights to be issued to Directors and Consultants			10,000,000 ⁽⁷⁾
New Options proposed to be issued under the Rights Issue		74,213,671 ⁽⁸⁾	
To be issued under the Offer	1,000	-	-
Balance after the Offer (if fully subscribed)	375,855,684	85,213,671	32,500,000

Notes:

1. Includes 33,000,000 Shares issued by the Company pursuant to the placement recently completed on 20 September 2018.
2. Comprises:
 - a. 3,000,000 unlisted Options exercisable at \$0.045 expiring on 30 November 2018.
 - b. 8,000,000 unlisted Options exercisable at \$0.04 expiring on 30 September 2019.
3. Comprises 2,500,000 Class A Performance Rights which convert into Shares on a one for one basis on completion of the acquisition of GOH by 20 December 2018 and 2,500,000 Class B Performance Rights which convert into Shares on a one for one basis on Certification of a Petroleum Resource Management System certified prospective resource of coal bed methane of greater than 1 trillion cubic feet within the Mongolia CBM PSC (**Milestone B**) by 20 December 2020.
4. Approximate number only, which does not account for rounding or the impact of ineligible Shareholders. The Company will announce the actual number of new Shares issued under the Bonus Issue on completion of the Bonus Issue.
5. To be issued subject to Shareholder approval. Shareholders approved the issue of the Consideration Shares and the Performance Rights subject to the completion of the acquisition of GOH at general meetings of the Company held on 30 November 2017 and 19 April 2018. However, further Shareholder approval is required as the acquisition of GOH did not occur within the 3 month time limit to issue the Shares and Performance Rights under the Listing Rules.
6. To be issued to proposed Director, Mr Neil Young following his appointment to the Board on completion of the acquisition of GOH. Comprises 10,000,000 Class B Performance Rights which convert into Shares on a one for one basis on the drilling and testing of two coal bed methane wells within the PSC by the date that is 18 months after the date of issue and 7,500,000 Class C Performance Rights which convert into Shares on a one for one basis on a final investment decision, approved by the Board of the Company and the Mongolian Government, for a pilot production test within the Mongolia CBM PSC by the date that is five years from the date of issue.
7. Comprising a total of:
 - a. 5,000,000 Class E Performance Rights which convert into Shares on a one for one basis on the acquisition of at least 40,000 additional acres of leases within the NPRA on terms and conditions acceptable to the Company by the date that is 12 months from the date of issue acquisition; and

- b. 5,000,000 Class F Performance Rights which convert into Shares on a one for one basis on Board approval of a corporate transaction that introduced new capital or alternative funding to progress the exploration of the Alaskan leases by the date that is 18 months from the date of issue, to be issued to Paul Craig and Dougal Ferguson subject to Shareholder approval, which is being sought at the Company's annual general meeting to be held on Wednesday, 28 November 2018. Refer to the Company's notice of annual general meeting dated 25 October 2018 for full terms and conditions of the Performance Rights proposed to be issued to Messrs Craig and Ferguson.
8. Assumes that the Bonus Issue completes and the maximum number of Shares are issued under the Bonus Issue, meaning that the Company will have a total of 296,854,684 Shares on issue. On this basis the Rights Issue will result in a maximum of 74,213,671 new Options being issued. It is currently proposed that new Options will be issued for 1 cent each and will be exercisable at 7.5 cents on or before 30 September 2019. The Company intends to apply to ASX for listing of the new Options issued pursuant to the Rights Issue.

3.2 Pro forma statement of financial position

	Company Audited 30-Jun-18 \$	GOH Audited 30-Jun-18 \$	Pro forma adjustments \$	Company Unaudited pro forma 30-Jun-18 \$
Current Assets				
Cash and cash equivalents	2,484,234	2,621	618,588	3,105,443
Trade and other receivables	21,056	10	-	21,066
Total Current Assets	2,505,290	2,631	618,588	3,126,509
Non-Current Assets				
Trade and other receivables	783,735	-	422,535	1,206,270
Plant and equipment	3,528	-	-	3,528
Exploration and evaluation expenditure	-	-	4,734,222	4,734,222
Total Non-Current Assets	787,263	-	5,156,757	5,944,020
TOTAL ASSETS	3,292,553	2,631	5,775,345	9,070,529
Current Liabilities				
Trade and other payables	102,486	6,407	-	108,893
Financial Liabilities	-	43,250	(43,250)	-
Provisions	858,708	-	-	858,708
Total Current Liabilities	961,194	49,657	(43,250)	967,601
Non-Current Liabilities				
Borrowings	-	-	-	-
Restoration Provisions	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	961,194	49,657	(43,250)	967,601
NET ASSETS	2,331,359	(47,026)	5,818,595	8,102,928
EQUITY				
Contributed equity	73,658,419	1,357,100	4,414,469	79,429,988
Reserves	571,359	8,608	(8,608)	571,359
Accumulated losses	(71,898,419)	(1,412,734)	1,412,734	(71,898,419)
Total Equity	2,331,359	(47,026)	5,818,595	8,102,928

Notes:

1. The Cash and cash equivalents balance does not account for movements in the Company or GOH since 30 June 2018, except for the following:
 - a. The Placement completed by the Company on 20 September 2018 raising a total \$1,650,000 (before costs). Costs of the Placement included share issue costs of \$124,000.
 - b. The issue of 1,000 shares at \$0.05 each to raise \$50 (before costs of the Offer). Costs of the Offer are estimated to be \$7,090.
 - c. The acquisition of the Alaskan Leases for US\$803,859 and the lodgement of the US\$300,000 performance bond required to be lodged as part of the Alaskan Leases acquisition. The exchange rate assumption is that A\$1 = US\$0.71.
 - d. Re-payment of \$40,000 to GOH convertible note holders on completion of the acquisition of GOH.
 - e. The issue of 74,213,671 new Options at 1 cent per Option under the proposed Rights Issue to raise a maximum of approximately \$742,137 (before costs).
2. The GOH acquisition includes the issue of Consideration Shares of 79,000,000 issued to GOH shareholders. At a valuation of \$0.045 per share (the closing price of Shares on the last trading day prior to the Company's announcement of the GOH Option), less GOH's combined cash holdings of \$2,621, equates to a total consideration of \$3,552,379. The excess of the fair value of the consideration over the net assets acquired is allocated to the Exploration and Evaluation asset.
3. The Exploration and Evaluation asset is increased by the cost of the Alaskan Lease acquisition being US\$803,859 at a USD/AUD exchange rate of 0.71 which equates to A\$1,132,196.
4. Pro-forma adjustments to contributed equity are as follows:
 - a. Elimination of GOH share capital of \$1,357,100.
 - b. Value of the Consideration Shares of \$3,555,000 as described in Note 2.
 - c. Value of Shares to be issued under the Placement of \$1,526,000 (net of costs).
 - d. Value of Share to be issued under the Offer of \$50 net of expenses of the Offer of \$7,090.
5. Pro-forma adjustments to the other reserves relate to the elimination of GOH reserves of \$8,608.
6. Pro-forma adjustments to accumulated losses include the elimination of GOH accumulated losses of \$1,412,734.

Basis of Preparation

This unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the transactions described in the notes to the pro forma consolidated statement of financial position and the assumptions described therein as if it had occurred as of 30 June 2018.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transactions had been completed on the dates or for the periods presented, nor does it purport to project the results of operations or financial position of the consolidated entities for any future period or as of any future date. The audited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the transaction.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS).

In preparing the audited pro forma consolidated statement of financial position in accordance with IFRS, the following historical information was used:

- (i) the audited accounts of the Company as of 30 June 2018; and
- (ii) the audited accounts of GOH as of 30 June 2018.

In preparing the pro forma consolidated statement of financial position no alignment has been made between the accounting policies of the Company and GOH.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the historical financial statements of the Company and GOH.

3.3 Market price of Shares

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

Highest: \$0.065 per Share on 13 September 2018

Lowest: \$0.043 per Share on 12 October 2018

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.045 per Share on 7 November 2018.

The Company's Shares were in a trading halt or suspended from trading on the ASX from 12 June 2018 to 11 September 2018. The highest and lowest market sale prices of the Company's Shares on ASX during the three months prior to 12 June 2018 and the respective dates of those sales were:

Highest: \$0.099 per Share on 19 April 2018 and 24 April 2018

Lowest: \$0.06 per Share on 29 May 2018 and 8 June 2018

The last available market sale price of Shares on ASX prior to the Company's Shares being in trading halt or suspended from trading on ASX from 12 June 2018 was \$0.06 per Share.

3.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(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 eligible 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 an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (iii) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible 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 per Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

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

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares 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 dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared 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.

(h) **Winding up**

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the shares of a Shareholders is of the total amounts paid and payable (including amounts credited) on the shares of all Shareholders.

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three and the maximum number is ten.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference Shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 **Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the financial year ended 30 June 2018, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and

- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date	Headline
01/11/2018	Appendix 3B (Amended)
01/11/2018	Appendix 3B
01/11/2018	Bonus Issue Record Date Clarification
01/11/2018	Bonus Issue
01/11/2018	Alaskan Lease Acquisition Update
25/10/2018	Notice of Annual General Meeting/Proxy Form
24/10/2018	Quarterly Activities Report
24/10/2018	Quarterly Cashflow Report

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at 1202 Hay Street, West Perth, WA, 6005.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

- (b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	Shares Held	Options Held	Performance Rights Held ⁽²⁾
Ray Barnes	610,000	1,000,000 ⁽¹⁾	-
Dougal Ferguson	6,508,000	4,000,000 ⁽²⁾	4,000,000 ⁽³⁾
Scott Patrizi	1,250,000	1,000,000 ⁽¹⁾	-
Neil Young	19,873,036	-	-(4)

Notes:

1. Unlisted Options exercisable at \$0.04 expiring on 30 September 2019.
2. Comprises 1,000,000 unlisted Options exercisable at \$0.04 expiring on 30 September 2019 and 3,000,000 unlisted Options exercisable at \$0.045 expiring on 30 November 2018.
3. Comprises 2,000,000 Class A Performance Rights which convert into Shares on a one for one basis on completion of the GOH Option by 20 December 2018 and 2,000,000 Class B Performance Rights which convert into Shares on a one for one basis on Certification of a Petroleum Resource Management System certified prospective resource of coal bed methane of greater than 1 trillion cubic feet within the Mongolia CBM PSC by 20 December 2020.
The Company also proposes, subject to Shareholder approval, to issue Mr Ferguson 5,000,000 Performance Rights, comprising:
 - (a) 2,500,000 Class E Performance Rights which convert into Shares on a one for one basis on the acquisition of at least 40,000 additional acres of leases within the NPRA on terms and conditions acceptable to the Company by the date that is 12 months from the date of issue acquisition of at least 40,000 by the date that is 12 months from the date of issue; and
 - (b) 2,500,000 Class F Performance Rights which convert into Shares on a one for one basis on Board approval of a corporate transaction that introduced new capital or alternative funding to progress the exploration of the Alaskan leases by the date that is 18 months from the date of issue.
Shareholder approval for the issue of these Performance Rights is being sought at the Company's annual general meeting to be held on Wednesday, 28 November 2018. Refer to the Company's notice of annual general meeting dated 25 October 2018 for full terms and conditions of the Performance Rights proposed to be issued to Mr Ferguson.
4. It is proposed, subject to Shareholder approval also being sought at the Company's annual general meeting to be held on Wednesday, 28 November 2018, that proposed Director Mr Neil Young will receive 17,500,000 Performance Rights, comprising:
 - (a) 7,500,000 Class C Performance Rights which convert into Shares on a one for one basis on a final investment decision, approved by the Board of the Company and the Mongolian Government, for a pilot production test within the Mongolia CBM PSC by the date that is five years from the date of issue following his appointment to the Board on completion of the GOH Option; and
 - (b) 10,000,000 D Performance Rights which convert into Shares on a one for one basis on the drilling and testing of two coal bed methane wells within the PSC by the date that is 18 months after the date of issue.

(c) **Remuneration of Directors**

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$500,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that Directors' fees are \$45,000 per annum for the Chairman (Ray Barnes) and \$36,000 per annum for Non-Executive Directors (inclusive of

statutory superannuation contributions). Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Dougal Ferguson currently receives annual remuneration of \$260,000 (inclusive of superannuation), which includes fees for his roles as Managing Director and Company Secretary of the Company.

Upon completion of the GOH Option, Mr Neil Young will be appointed an Executive Director and Chief Executive Officer of the Company. Mr Young will receive a salary of \$250,000 per annum including statutory superannuation and his employment may be terminated by either party giving three months' notice.

The table below sets out the remuneration provided to the Directors or their related entities for the preceding two financial years prior to this Prospectus.

Director	Year	Salary & Fees \$	Super- annuation \$	Cash Bonus	Total
Ray Barnes	2017/2018	\$42,750	-	-	\$42,750
	2016/2017	\$36,000	-	-	\$36,000
Dougal Ferguson	2017/2018	\$237,443	\$22,557	\$26,000	\$286,000
	2016/2017	\$237,443	\$22,557	-	\$260,000
Scott Patrizi	2017/2018	\$33,000	-	-	\$33,000
	2016/2017	\$17,419	-	-	\$17,419

4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.8 Expenses of the Offer

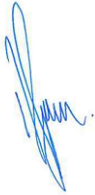
The estimated expenses of the issue are as follows:

	Offer
	\$
ASIC lodgement fee	3,206
ASX quotation fee	1,884
Legal expenses	<u>2,000</u>
Total	<u>7,090</u>

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Dougal Ferguson
Managing Director

Dated: 8 November 2018

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Alaskan Leases means three leases totalling 35,423 acres of Bureau of Land Management leases within the National Petroleum Reserve of Alaska.

Annual Report means the financial report lodged by the Company with ASIC in respect to the financial year ended 30 June 2017 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the Directors meeting as a board.

Bonus Issue Shares has the meaning in Section 1.2.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CBM means Coal Bed Methane.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 12 November 2018 or such later date as the Directors may determine.

Company means Elixir Petroleum Limited ACN 108 230 995.

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

Consideration Shares means 79 million Shares to be issued to GOH shareholders upon exercise of the GOH Option and completion of the acquisition of GOH.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus and the Proposed Director.

GOH Option has the meaning given in Section 2.1(o).

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Listing Rules means the Listing Rules of ASX.

Mongolia CBM PSC means the Nomgon IX Coal Bed Methane Production Sharing Contract negotiated by GOT with the Mineral Resources and Petroleum Authority of Mongolia.

Offer has the meaning given in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means an option to acquire one Share.

Performance Right means performance rights which convert on exercise on a one for one basis to Shares upon achievement of certain performance milestones prior to the relevant expiry dates.

Proposed Director means Mr Neil Young.

Prospectus means this prospectus dated 8 November 2018.

Rights Issue has the meaning given in Section 1.2.

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Rights.

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

Shareholder means a holder of Shares.