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5 May 2014

Dear Option Holder

**RENOUNCEABLE ENTITLEMENT ISSUE OF SHARES NOTICE FOR OPTION HOLDERS**

On 5 May 2014, Tamaska Oil & Gas Ltd (ASX: TMK) ('the **Company**') announced a partially underwritten pro rata renounceable entitlement issue of ten (10) Shares for every one (1) Share held by Shareholders, at an issue price of 1 cent per Share, to raise up to \$6,396,024.90 before costs ("**Entitlement Issue**"). The Entitlement Issue will be undertaken by way of a prospectus ("**Prospectus**").

The principal effect of the Offer, assuming all Entitlements are accepted or placed and no Options are exercised prior to the Record Date, will be to:

- (a) Fund existing project expenses of \$350,000;
- (b) Extinguish \$1,230,000 of current creditors and debt to leave the Company debt free;
- (c) Increase the cash reserves to approximately \$4.7 million (after deducting the estimated expenses of the Offer of \$98,000) immediately after completion of the Offer; and
- (d) Increase the number of Shares on issue from 63,960,203 as at the date of this Prospectus to 703,562,739 Shares.

Further information can be found in Section 5 of the Prospectus.

**The proposed timetable is set out below.**

Lodgement of Prospectus with the ASIC	5 May 2014
Lodgement of Prospectus & Appendix 3B with ASX	5 May 2014
Notice sent to Option holders	5 May 2014
Notice sent to Shareholders	7 May 2014
Ex date	8 May 2014
Entitlements start trading	8 May 2014
Record Date	12 May 2014
Prospectus sent out to Shareholders & Company announces this has been completed	15 May 2014

Entitlements stop trading	19 May 2014
Shares quoted on a deferred settlement basis	20 May 2014
Closing Date*	26 May 2014
ASX notified of under subscriptions	29 May 2014
Issue date/Shares entered into Shareholders' security holdings	2 June 2014
Normal trading resumes	3 June 2014

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

### Shortfall Offer

The Prospectus is also for the offer of the Shortfall Shares. Shareholders are entitled to participate in the offer of the Shortfall Shares by completing the relevant Form. Refer to Section 4.18 of the Prospectus for further information and details of the Shortfall Offer.

### Eligible and Ineligible Shareholders

Under the Entitlement Issue, every person with an Australian and New Zealand registered address who is registered as the holder of fully paid ordinary shares in the capital of the Company (**Shares**) at **5.00pm WST on 12 May 2014 (Record Date)** will be entitled to participate in the Entitlement Issue in respect of the number of Shares that person is then registered as the holder of.

Accordingly, to be eligible to participate in the Entitlement Issue in respect of the Shares to be issued on exercise of the Options you hold, you must exercise those Options and be registered as the holder of the underlying Shares before the Record Date.

Please note that, the Company has determined pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited ("**ASX Listing Rules**"), that it is unreasonable to make an offer pursuant to the Entitlement Issue to shareholders outside of Australia and New Zealand. Therefore, in compliance with ASX Listing Rule 7.7.1(b), the Company is not required to make offers pursuant to the Entitlement Issue to Shareholders registered outside of Australia and New Zealand. **Accordingly, an Option Holder who is resident outside of Australia and New Zealand will not be able to participate in the Entitlement Issue upon exercise of their options.**

The purpose of this letter is to comply with the ASX Listing Rules by advising you of the impending Entitlement Issue and to give you adequate opportunity to exercise some or all of your Options prior to the Record Date so that you may participate in the Entitlement Issue.

To exercise some or all of your Options you will need to give notice in writing to the Company in accordance with the terms and conditions of issue of your Options, together with payment of the exercise price for each Option exercised.

You are encouraged to read the Prospectus that was lodged with ASX on 5 May 2014 fully before exercising any of your Options. If you have any queries in relation to the exercise of your Options and the Entitlement Issue, you should consult your Stockbroker or other professional adviser.

The Prospectus is available to download from [asx.com.au](http://asx.com.au) and [tamaska.com.au](http://tamaska.com.au)

If you have any queries concerning the Entitlement Issue please contact the Company Secretary, Sylvia Moss on +61 8 9389 2000.

Kind Regards,

Alexander Parks  
Managing Director