

# **TAMASKA OIL AND GAS LIMITED**

## **ACN 127 735 442**

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### **ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of 10 Shares for every 1 Share held by those Shareholders registered at the Record Date at an issue price of 1 cent per Share to raise up to \$6,396,024.90 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

#### **IMPORTANT NOTICE**

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

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

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## 1. CORPORATE DIRECTORY

### Directors

Brett Mitchell (Non-Executive Chairman)  
Alexander Parks (Managing Director)  
Mark Freeman (Non-Executive Director)

### Company Secretary

Sylvia Moss

### Registered Office

Level 7  
1008 Hay Street  
Perth WA 6000

Telephone: + 61 8 9389 2000  
Facsimile: +61 8 9389 2099

Email: [info@tamaska.com.au](mailto:info@tamaska.com.au)  
Website: [www.tamaska.com.au](http://www.tamaska.com.au)

### Share Registry\*

Automic Registry Services  
Suite 1a, Level 1  
7 Ventnor Ave  
West Perth WA 6005

Telephone: +61 8 9324 2099  
Facsimile: +61 8 9321 2337

### Stock Exchange Listing

Australian Securities Exchange  
ASX Code: TMK & TMKOA

### Solicitors

GTP Legal  
28 Ord Street  
West Perth WA 6005

### Auditor\*

BDO Audit (WA) Pty Ltd  
35 Station Street  
Subiaco WA 6008

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

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## 2. TIMETABLE

Lodgement of Prospectus with 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
Securities 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.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 5 May 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements

contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

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

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## 4. DETAILS OF THE OFFER

### 4.1 The Offer

The Offer is being made as a renounceable entitlement issue of 10 Shares for every 1 Share held by Shareholders registered at the Record Date, at an issue price of \$0.01 per Share. Fractional Entitlements will be rounded up to the nearest whole number.

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 sections of the Entitlement and Acceptance Form. Refer to Section 4.18 for further information and details of the Shortfall Offer.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 639,602,490 Shares will be issued pursuant to this Offer, to raise up to \$6,396,024.90 (before costs).

	Number
Shares currently on issue	63,960,249
Shares offered pursuant to the Offer	639,602,490
<b>Total Shares on issue after completion of the Offer assuming all Shortfall Shares are placed under Shortfall Offer</b>	<b>703,562,739<sup>1</sup></b>

As at the date of this Prospectus the Company has 32,600,000 listed Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue. The Company also has on issue convertible notes with an aggregate face value of \$600,000, repayable by 25 September 2016, or convertible into Shares at the election of the noteholders at a conversion price of \$0.05.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

<sup>1</sup>It is the Directors intention to issue incentive options to Board and management after the Offer has concluded, the quantum and price are yet to be agreed.

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

### 4.2 What Eligible Shareholders may do

The number of Shares 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 4.3);
- (b) take up all of their Entitlement (refer to section 4.3) and apply for Shortfall refer to section 4.9)
- (c) sell all of their Entitlement on ASX (refer to section 4.4);

- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 4.5);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 4.6);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to section 4.7); or
- (g) allow all or part of their Entitlement lapse (refer to section 4.8).

### **4.3 Taking up all of your Entitlement**

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, to be completed and provided to the Company as set out in section 4.12. If you wish to pay via BPAY® you must follow the instructions in section 4.13. The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

### **4.4 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 Shares 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 on ASX on 08 May 2014 and will cease on 19 May 2014.

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.

### **4.5 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 accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3 or make a payment by BPAY in accordance with section 4.13.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX as per section 4.4.

### **4.6 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3. If you take no further action, 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.

#### **4.7 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 subregister 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 Company's share registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Tamaska Oil & Gas Ltd – Entitlement Issue Account" and crossed "Not Negotiable" to the Company's share registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

By Post                      Automic Registry Services  
                                    PO Box 223  
                                    West Perth WA 6872

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHES subregister, you must engage your CHES 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 Shares that the transferee of the Entitlement wants to acquire must be received by Company's share registry in accordance with section 4.3.

#### **4.8 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enables 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.

#### **4.9 Shortfall**

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant sections of the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, to be completed and provided to the Company as set out in section 4.12. If you wish to pay via BPAY® you must follow the instructions in section 4.13. The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

#### **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 Minimum subscription**

There is no minimum subscription although the Company is targeting to raise at least \$4,000,000 from Eligible Shareholder participation in the Offer and placement of Shortfall.

#### **4.12 Payment by cheque/bank draft**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Tamaska Oil and Gas Ltd – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must be lodged and received at any time after the issue of this Prospectus, but no later than 5:00 pm WST on the Closing Date, at the Company's share registry (by post):

By Post                      Automic Registry Services  
                                    PO Box 223  
                                    West Perth WA 6872

The Company shall not be responsible for any postal or delivery delays.

#### **4.13 Payment by BPAY®**

For payment by BPAY®, please follow the personalised instructions in your Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

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 the representations outlined in section 4.9. 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).

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

#### **4.14 Details of substantial holders**

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Charles Morgan (held through various controlled entities)	12,735,725	19.9
Craig Ian Burton (held through various controlled entities)	12,000,000	18.8

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

#### **4.15 Underwriting**

The Offer is not underwritten.

#### **4.16 Effect on control of the Company**

Craig Ian Burton and Mr Charles Waite Morgan are both currently substantial shareholders in the Company (through various entities they control) but are not associates of each other. Their current voting power is detailed in Section 4.14.

The Company is aiming to raise a minimum of \$4,000,000 from the Offer (being Shareholder participation and placement of Shortfall).

Mr Burton has advised the Company that:

- a) he will not apply under his Entitlement or the Shortfall Offer, to take up more than 30% of the total amount raised via this Prospectus; and
- b) subject to the above, it is his current intention to take up all of his Entitlement (being \$1,200,000).

Mr Morgan has advised the Company that:

- a) he will not apply under his Entitlement or the Shortfall Offer, to take up more than 20% of the total amount raised via this Prospectus, and
- b) it is his current intention to take up a minimum of \$500,000 of his Entitlement.

The Table below shows the possible voting power of Mr Burton and Mr Morgan assuming they both take up their full Entitlement (subject to the above limitations) and the amounts specified below are raised by the Offer.

	Number of TMK Shares on Issue	Craig Burton and controlled entities		Charles Morgan and controlled entities	
		Shares held	Voting power	Shares held	Voting power
Current holdings	63,960,249	12,000,000	18.76%	12,735,725	19.91%
Entitlement		120,000,000		127,357,250	
Total Possible Shareholding		132,000,000		140,092,975	
If Fully Subscribed/ 100% Shortfall Placed	703,562,739	132,000,000	18.76%	140,092,975	19.91%
If \$5 million raised placing 500million shares	563,960,249	132,000,000	23.41%	112,735,725	19.99%
If \$4 million raised placing 400million shares	463,960,249	132,000,000	28.45%	92,735,725	19.99%
If \$3 million raised placing 300million shares	363,960,249	102,000,000	28.03%	72,735,725	19.98%

Following completion of the Offer and placement under the Shortfall Offer, Craig Burton (and controlled entities) will have a relevant interest in Shares representing not more than 28.45% of the Shares then on issue.

Following completion of the Offer and placement under the Shortfall Offer, Charles Morgan (and controlled entities) will have a relevant interest in Shares representing a not more than 19.99% of the Shares then on issue.

Neither Mr Morgan, Mr Burton or their respective related parties currently propose to make any changes to the Company's management or Board or alter the business of the Company or its activities.

#### 4.17 Potential dilution to Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 90.91% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	1,500,000	2.35%	15,000,000	1,500,000	0.21%
Shareholder 2	400,000	0.63%	4,000,000	400,000	0.06%
Shareholder 3	50,000	0.08%	500,000	50,000	0.01%

**Notes:**

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

#### 4.18 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form part of 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 1 cent, being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion however Shortfall Shares will be allocated in priority to Eligible Shareholders who apply for Shortfall Shares under the Shortfall Offer in accordance with the below.

In the event that not all Eligible Shareholders accept their full Entitlement pursuant to the Offer, the Company is offering the Shortfall to Eligible Shareholders on the terms and conditions below.

The Offer of any Shortfall Shares is a separate offer made pursuant to this Prospectus and will remain open until the Closing Date or such other date as the Directors determine in their absolute discretion subject to the requirements of the Listing Rules. Eligible Shareholders who take up their Entitlement in full may apply for Shortfall Shares on the Shortfall Application Form enclosed with this Prospectus.

The Company reserves the right to issue to an applicant for Shortfall Shares a lesser number of Shortfall Shares than the number applied for. If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on any Application Monies refunded.

If Shareholders wish to apply for Shortfall Shares they should complete the relevant section of the Entitlement and Acceptance Form. Refer to Section 4.9 for instructions as to how to apply for Shortfall Shares.

The Directors reserve the right to place the Shortfall via an agent or broker, and to pay applicable capital raising or handling fees to Australian financial services licencees at market rates.

#### **4.19 ASX listing**

Application for Official Quotation of the Shares 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 Shares 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 Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.20 Issue**

Shares 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.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares 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 Shares 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 Shares 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 Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.21 Overseas Shareholders**

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

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of 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 Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

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

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Argonaut Capital Limited, 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. In consideration for its services as nominee, Argonaut Capital Limited will be paid a fee of \$2,500 (exclusive of GST) and 1% brokerage on the Entitlements that it sells.

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.

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 in relation to the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shortfall Shares to be offered under the Shortfall Offer.

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

#### **4.22 Enquiries**

Any questions concerning the Offer should be directed to Sylvia Moss, Company Secretary, on (08) 9389 2000 (within Australia or +61 8 9389 2000 (outside Australia)).

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## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$6,396,025 (before costs).

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

Proceeds of the Offer	Full Subscription (\$)	\$4,000,000 Raised (\$)
Facilities construction and commissioning of West Klondike Field	350,000	350,000
Payment of current creditors	630,000	630,000
Repayment of convertible notes	600,000	600,000
Expenses of the Offer	98,000	68,000
Working Capital for the identification, evaluation and securing of new projects	4,718,025	2,352,000
	6,396,025	4,000,000

#### Notes:

1. The Company currently holds an 8% interest 105 Sections of Duvernay Shale acreage and a 16% interest in 113 sections of Rock Creek Oil acreage. As announced by the Company it has been involved in a sale process in respect of the Alberta Shale projects (Duvernay and Rock Creek acreage) with Canadian Pan Ocean (CPO). The Board has resolved that the proposed sale with CPO as previously announced is unlikely to occur and Tamaska is pursuing alternate sale and commercialisation options for this acreage. Proceeds of such sale will be added to working capital and used to evaluate and secure new ventures.
2. The Company is actively pursuing potential oil and gas investment opportunities. Proceeds of the Offer will provide the Company with up to \$4.7m net cash available (assuming placement of entire Shortfall) and the financial capacity to pursue oil and gas investment opportunities.
3. Refer to section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

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

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

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted 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.

### **5.3 Pro-forma balance sheet**

The unaudited balance sheet as at 28 February 2014 and the unaudited pro-forma balance sheet as at 28 February 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared for two possible scenarios, firstly assuming all Entitlements are accepted and secondly assuming \$4,000,000 is raised by the Offer. In both circumstances it is assumed no Options are exercised prior to the Record Date and including expenses of the Offer.

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

Balance Sheet		Unaudited 28-Feb-14	Pro forma Fully Subscribed	Pro forma \$4 million raised
	Notes	\$	\$	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	1	131,630	4,896,850	2,530,825
Trade and other receivables		24,647	24,647	24,647
<b>TOTAL CURRENT ASSETS</b>		<b>156,277</b>	<b>4,921,497</b>	<b>2,555,472</b>
<b>NON-CURRENT ASSETS</b>				
Oil and gas properties		5,229,198	5,229,198	5,229,198
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,229,198</b>	<b>5,229,198</b>	<b>5,229,198</b>
<b>TOTAL ASSETS</b>		<b>5,385,475</b>	<b>10,150,695</b>	<b>7,784,670</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		1,067,871	135,066	135,066
Short-term borrowings		600,000	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,667,871</b>	<b>135,066</b>	<b>135,066</b>
<b>TOTAL LIABILITIES</b>		<b>1,667,871</b>	<b>135,066</b>	<b>135,066</b>
<b>NET ASSETS / (LIABILITIES)</b>		<b>3,717,604</b>	<b>10,015,629</b>	<b>7,649,604</b>
<b>EQUITY</b>				
Issued share capital	2	24,636,662	30,934,687	28,568,662
Issued share options		298,890	298,890	298,890
Share based payment reserve		96,599	96,599	96,599
Other reserves		585,735	585,735	585,735
Accumulated losses		(21,900,282)	(21,900,282)	(21,900,282)
<b>TOTAL EQUITY</b>		<b>3,717,604</b>	<b>10,015,629</b>	<b>7,649,604</b>

**Notes:**

1. Cash and cash equivalents are reconciled as follows:

	A\$	A\$
Cash and cash equivalents on hand	131,630	131,630
Capital raising - Rights Issue 10:1 @ \$0.01 each	6,396,025	4,000,000
Capital raising costs	(98,000)	(68,000)
Debt and Payables paid from raising	(1,532,805)	(1,532,805)
<b>Total cash and cash equivalents post the Offer</b>	<b>4,896,850</b>	<b>2,530,825</b>

2. Share capital are reconciled as follows:

	A\$	A\$
Opening share capital as at 1 January 2014	24,636,662	24,636,662
Capital raising - Rights Issue 10:1 @ \$0.01 each	6,396,025	4,000,000
Capital raising costs	(98,000)	(68,000)

Total share capital post completion  
of the Offer

**30,934,687**      **28,568,662**

3. Shares on issue are reconciled as follows:

Shares on issue at date of  
prospectus

Number of  
shares      Number of  
shares

63,960,203      63,960,203

Capital raising - Rights Issue 10:1

639,602,030      400,000,000

Total shares on issue post  
completion of the Offer

**703,562,233**      **463,960,203**

## 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted or placed and no Options are exercised prior to the Record Date, is set out below.

### Shares

	Number
Shares currently on issue	63,960,249
Shares offered pursuant to the Offer	639,602,490
<b>Total Shares on issue after completion of the Offer</b>	<b>703,562,739</b>

### Options

	Number
Options currently on issue:	
1. Listed options exercisable at \$0.50 each and expiring on 17 August 2015	32,600,000
2. Unlisted options exercisable at \$0.15 each and expiring on 3 October 2017*	3,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>35,600,000</b>

\* These unvested options are unable to be exercised prior to the close of the Prospectus.

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

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## **6. RIGHTS AND LIABILITIES ATTACHING TO 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.

### **6.1 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.

### **6.2 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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).

### **6.3 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.

#### **6.4 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.

#### **6.5 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.

#### **6.6 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.

#### **6.7 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.

#### **6.8 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) 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.

#### **6.9 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.

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## **7. RISK FACTORS**

### **7.1 Introduction**

- (a) The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.
- (c) The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific risks**

#### **(a) Business opportunities**

The Company currently has one revenue generating asset (Fusselman), with the West Klondike project expected to provide a second income stream from mid- 2014. The income from the two projects is likely to be sufficient to meet basic administration costs and Directors fees under normal conditions and assuming no significant interruption to production.

The Company is active in pursuing potential oil and gas investment opportunities to add to the portfolio. The Company's business strategy and business model depends in part on the successful completion of acquiring business opportunities and on the effective and successful running of the Company or project acquired. There can be no guarantee that the Directors will be able to identify suitable business targets to acquire, that any acquisition will be successfully completed, or that the company or project acquired will be profitable.

If any new business opportunity is acquired by the Company, it will carry with it specific risks in relation to the location and nature of the opportunity.

#### **(b) 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.

(c) **Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 63,960,249 currently on issue to 703,562,739. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of 3 cents is not a reliable indicator as to the potential trading price of Shares after completion of the Offer.

### **7.3 Industry specific risks**

(a) **Hydrocarbon Product Price and Volatility**

The demand for, and price of, oil and natural gas is dependent on a variety of factors, including 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.

The market price of hydrocarbon products is volatile and cannot be controlled. 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.

(b) **Resource Exploration and Development Risk**

Hydrocarbon exploration by its nature contains elements of significant risk. The success of the Company depends on the discovery and delineation of economically viable energy reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and production tenements and obtaining all consents and approvals necessary for the conduct of its exploration and production activities.

(c) **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.

(d) **Other incidents beyond the control of the Company**

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological conditions, environmental hazards, technical and equipment failures and 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 beyond the control of the Company.

Although the Company believes that it will carry adequate insurance with respect to its operations 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. In addition, the Company may be subject to liability for pollution, blow-outs or other hazards against which the Company does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(e) **Hydrocarbon Reserve Estimates**

Hydrocarbon reserve estimates are expressions of judgement based on knowledge, experience 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.

(f) **Competition**

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. 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.



(g) **Regulation – General**

The oil and gas industry in the countries in which the Company operates is extensively regulated. Federal, state, local and foreign laws and regulations relating to the exploration for and development, production, gathering and, in some jurisdictions, marketing of oil and gas will affect the Company's operations with respect to its projects. Numerous environmental laws impact and influence the Company's operations. As with the industry in general, compliance with existing and anticipated regulations increases the overall cost of business. If the Company fails to comply with environmental laws it may be subject to liabilities to the government and third parties, including civil and criminal penalties. New laws or regulations, or modifications of or new interpretations of existing laws and regulations, may increase substantially the cost of compliance or adversely affect oil and gas operations and financial conditions.

(h) **Regulation– Exploration and Production**

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 they impose other requirements relating to the exploration and production of oil and gas. The Company is required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

## **7.4 General risks**

(a) **Economic**

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

(b) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(c) **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.

(c) **Taxation**

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

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

(d) **Reliance on key personnel**

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

## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the 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 advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
30/04/2014	March 14 Quarterly Activities and Cashflow Report
05/04/2014	Completion of Consolidation
25/03/2014	Appointment and Resignation of Directors & Company Secretary
21/03/2014	Results of General Meeting
07/03/2014	Half Yearly Report and Accounts
19/02/2014	Notice of General Meeting/Proxy Form
17/02/2014	Appointment and Resignation of Directors - Appendix 3X & 3Z
10/02/2014	Conversion of Convertible Performance Shares - Appendix 3B
31/01/2014	December Quarterly Activity and Cashflow Report
24/12/2013	Rend Lake Oil Prospect Drilling Completed
16/12/2013	Drilling Update 3 - High Impact Rend Lake Oil Prospect
10/12/2013	Drilling Update 2 - High Impact Rend Lake Oil Prospect
09/12/2013	Updated Investor Presentation
03/12/2013	Drilling Update 1 - High Impact Rend Lake Oil Prospect
02/12/2013	Investor Presentation - Rend Lake Oil Prospect
28/11/2013	Results of Annual General Meeting
25/11/2013	Drilling Underway on Rend Lake Oil Prospect
31/10/2013	Annual Report 2013

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.tamaska.com.au](http://www.tamaska.com.au)

### 8.3 Market price of Shares

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

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

Highest	\$0.10	13/3/2014
Lowest	\$0.024	25/03/14
Last	\$0.03	5/5/2014

Quoted on a post consolidation basis.

### 8.4 Interests of Directors

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

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

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

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

#### **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	Options	Entitlement	\$
Brett Mitchell	2,500,000	1,300,000	25,000,000	250,000
Alexander Parks	28,000	3,000,000	280,000	2,800
Mark Freeman	nil	1,485,000	nil	nil

## Remuneration

- (a) Mr Mitchell has in place (since 16 September 2011) a letter of appointment for the provision of services in the role of Executive Director, this agreement was amended to a Non-Executive Agreement on 1 July 2013.
- (b) Mr Parks has in place (since 21 February 2014) an agreement for the provision of executive services in the role of Chief Executive Officer this agreement was supplemented with consent to act as Managing Director Agreement on 17 February 2014.
- (c) Mr Freeman has in place (since 24 March 2014) a letter of appointment for the provision of services in the role of Non-Executive Director.

**Executive Directors' and senior executives'** remuneration is considered to properly reflect the person's duties and responsibilities, and takes account of remuneration levels across the sector. The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process.

**Non-Executive Directors** receive fees which are determined by the Board within the aggregate limit set by the shareholders at a General Meeting. 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.

All Non-Executive Directors will receive remuneration by way of fees and receive no retirement benefits. Non-Executive Directors may receive options. The issue of options to Non-Executive Directors is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves.

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	2012/2013	2013/2014
Brett Mitchell	\$135,000	\$25,417
Alexander Parks	\$71,000	\$145,000
Mark Freeman	nil	\$6,667

## 8.5 Interests of experts and advisers

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

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

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

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

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

GTP Legal Pty Ltd have acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay GTP \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP has invoiced fees totalling \$21,604 (including GST and disbursements) for legal services provided to the Company.

Argonaut Capital Limited has been appointed as the nominee under ASX Listing Rule 7.7. Argonaut Capital Limited will be paid for this service on standard industry terms and conditions, as set out in section 4.21. During the 24 months preceding lodgement of this Prospectus with the ASIC, Argonaut Capital Limited has been paid fees totalling \$nil (excluding GST) for services provided to the Company.

## **8.6 Consents**

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Specifically:

- (a) Craig Burton and Charles Morgan have each given their consent to the statements in section 4.16 of this Prospectus being made and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC;
- (b) GTP Legal Pty Ltd has given its written consent to being named as the solicitors to the Company in this Prospectus. GTP Legal has not authorised or caused the issue of this Prospectus or the making of the Offer under this Prospectus. GTP Legal makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus; and
- (c) Argonaut Capital Limited has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7. Argonaut Capital Limited has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

## 8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$98,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$ 2,300
ASX Security listing fees	\$ 14,000
Nominee	\$ 2,500
Estimated Shortfall Offer Broker Fees	\$ 50,000
Legal fees	\$ 10,000
Printing and design cost	\$ 9,000
Miscellaneous (Postage, distribution, electronic prospectus and advisory costs)	\$ 10,200
<b>Total</b>	<b>\$ 98,000</b>

In the event that \$4 million is raised the costs are expected to be approximately \$68,000, as a lesser number of securities will be listed and less shortfall brokerage is anticipated.

## 8.8 Electronic prospectus

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

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9389 2000 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.tamaska.com.au](http://www.tamaska.com.au)

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8.9 Financial forecasts**

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

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

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **8.11 Privacy Act**

If you complete an application for Shares, 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

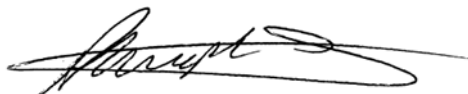
Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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## 9. DIRECTORS' AUTHORISATION

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

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



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Alexander Parks  
**Managing Director**  
For and on behalf of  
**TAMASKA OIL AND GAS LTD**

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## 10. GLOSSARY

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

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

**Application** means an application to subscribe for Shares 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 Tamaska Oil and Gas Ltd (ACN 127 735 442).

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

**Corporations Act** means the *Corporations Act 2001* (Cth).

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

**Eligible Shareholder** means a Shareholder of the Company 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 or New Zealand.

**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.

**Prospectus** means this prospectus.

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

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

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

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form that will be provided to investors at the Directors' discretion.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.16 of this Prospectus.

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

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