

7 May 2014

Address

XXXXX

XXXXX

Dear Shareholder

RENOUNCEABLE ENTITLEMENT ISSUE OF SHARES NOTICE FOR SHAREHOLDERS

On 5th May 2014, Tamaska Oil & Gas Ltd (ASX: TMK) ('the **Company**') announced a 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**").

Under the Entitlement Issue, every Shareholder with an Australian or New Zealand registered address ("**Eligible Shareholders**") who is registered as the holder of fully paid ordinary Shares in the capital of the Company 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 Shareholder is then registered as the holder of.

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 Entitlement Issue and the accompanying Entitlement and Acceptance Form and Shortfall Application form will be sent to eligible Shareholders on 15 May 2014.

The Entitlement Issue is open for acceptance by eligible Shareholders from 15th May 2014 until 5.00pm (WST) 26 May 2014 (subject to the Directors varying the closing date in accordance with the ASX Listing Rules). Please note that the Company's Shares will be quoted on an "ex" basis from 8 May 2014 and therefore any Shares bought or sold on market on and from this date will not carry entitlements under the Entitlement Issue.

Shareholder approval is not required for the Entitlement Issue. Shares issued under the Entitlement Issue will be issued as fully paid and will rank equally with existing ordinary fully paid Shares in the Company.

Fractions of a Share will be rounded up to the nearest whole Share where the determination of an Eligible Shareholder's entitlement under the Entitlement Issue results in a fraction. The total number and class of all securities (including the maximum number of Shares to be issued in the Entitlement Issue) is as follows:

	Shares	Options
Current issued capital	63,960,249	35,600,000 ¹
Issued under the Entitlement Issue	639,602,490	Nil
Total	703,562,739	35,600,000

Notes

1. This consists of the following:

- 32,600,000 listed options exercisable at \$0.50 on or before 17 August 2015; and
- 3,000,000 unlisted options exercisable at \$0.15 on or before 3 October 2017.

The Company currently has no dividend policy.

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.

Actions required of Eligible Shareholders

Your acceptance of the Entitlement Issue must be made on the Entitlement and Acceptance Form accompanying the Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Issue as follows:

- taking up all of your Entitlement;
- selling all of your Entitlement on ASX;

- (c) taking up a proportion of your Entitlement and selling the balance on ASX;
- (d) taking up a proportion of your Entitlement and allowing the balance to lapse;
- (e) selling all or a proportion of your Entitlement other than on ASX; or
- (f) allowing all or part of your Entitlement to lapse.

If you wish to accept all or part of your Entitlement, you must:

- (a) complete the Entitlement and Acceptance Form and attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for all or part of the amount indicated on the Entitlement and Acceptance Form; or
- (b) pay the appropriate application monies for all or part of your Entitlement through the BPay® facility described in the Prospectus and the Entitlement and Acceptance Form. If you make your payment by BPay®, you do not need to return the Entitlement and Acceptance Form.

Details on how to deal with your Entitlement are set out in Sections 4.4 to 4.8 of the Prospectus.

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

Ineligible Shareholders

A Shareholder who has a registered address outside Australia and New Zealand (“**Ineligible Shareholder**”) will not be eligible to participate in the Entitlement Issue and will not be sent a copy of the Prospectus. This decision has been made in accordance with Listing Rule 7.7.1 of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of Shares to which they would otherwise be entitled.

The Company has appointed a nominee that will arrange for the sale of those Entitlements and, if they are sold, for the net proceeds to be sent to the relevant Ineligible Shareholder.

The Prospectus is available to download from asx.com.au and 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