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## **TAMASKA OIL AND GAS LIMITED**

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### **NOTICE OF GENERAL MEETING**

**The General Meeting of the Company will be held at  
Level 7, 1008 Hay Street, Perth WA 6000  
on September 15, 2015 at 10.00 am (AWST)**

*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9389 2000.*

# TAMASKA OIL AND GAS LIMITED

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## NOTICE OF GENERAL MEETING

**Notice is hereby given** that an General Meeting of shareholders of Tamaska Oil and Gas Limited (**Company**) will be held at **Level 7, 1008 Hay Street, Perth WA 6000 on September 15, 2015 at 10.00 am (AWST) (Meeting)**.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Proxy Form and the Prospectus form part of this Notice. The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on September 13, 2015 at 10.00am (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 8 of this document.

## A G E N D A

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### 1. Resolution 1 – Authorise Disposal of Montney Asset

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, in accordance with Listing Rule 11.2 and for all other purposes, Shareholders approve and authorise the Company to dispose of the Montney Asset pursuant to the Restructure Agreement on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (or any associate of such a person) who might obtain a benefit, except a benefit solely in their capacity as a holder of ordinary securities if the Resolution is passed. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

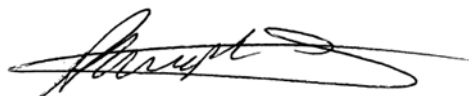
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### 2. Resolution 2 – Approval of Equal Reduction of Capital

To consider and, if thought fit, to pass, the following Resolution as an ordinary resolution:

*"That, for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for the Company to reduce the share capital of the Company by the Company making a pro rata in specie distribution of the entire share capital of TMK Montney to Eligible Shareholders on the basis of 1 TMK Montney Share for every 10 Shares held at the Record Date on the terms and conditions set out in the Explanatory Memorandum"*.

#### BY ORDER OF THE BOARD



Alexander Parks  
Managing Director  
Dated: 14 August 2015

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting of Tamaska Oil and Gas Limited. The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions. Shareholders should read the full text of this Explanatory Memorandum and, if in any doubt, should consult with your professional advisers.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Terms and abbreviations used in this Explanatory Memorandum are defined in Schedule 8.

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## 1. Overview of disposal of interest in the Montney Asset and in specie distribution

### 1.1 Background to the Demerger

Tamaska owns 100% of Warren which owns a 40% working interest in oil and gas licences prospective for the Montney formation in British Columbia (the **Montney Asset** or **Project**) (refer to Schedule 1). The remaining 60% working interest in the Montney licenses is held by Transerv through its subsidiary Woma Energy Ltd (**Woma**). Warren (Tamaska) and Woma (Transerv) are partners in an unincorporated joint venture (**Montney JV** or **JV**) in respect of the Project and intend to continue to collaborate to advance the Project via the JV. A list of the licenses comprising the Montney Asset and a summary of the agreements between Warren and Woma in respect of the JV is set out in Schedule 2.

Warren also holds some other residual Canadian oil and gas assets, the Duvernay and Rock Creek Project, which are not considered to be of material value. Refer to Schedule 3 for further information in respect of these projects.

The JV has mostly completed the license acquisition phase and acquired approximately 83 Land Sections (22,534 Ha). The acreage was acquired through British Columbia Crown Land Auctions over the last 18 months. A 1% overriding royalty is payable on any production from the land in addition to state and federal taxes and royalties.

It is apparent to the Board of Tamaska that its listed share price does not properly reflect the value of the Montney Asset, as this asset is early stage oil and gas exploration, a sector that is currently out of favour. The Board is proposing to demerge the Montney Asset in order to provide the following benefits to Tamaska shareholders:

1. By undertaking the Demerger, Tamaska is able to pursue new opportunities without diluting shareholders' interests in the Montney Asset prior to its value being unlocked. TMK Montney will focus on geoscience studies whilst seeking a partner for the Project.
2. In an unlisted structure, the underlying value of the Montney Asset can be unlocked over time and with low overheads and minimal dilution. With the land acquisition phase almost complete, there are little short term capital commitments for the Project.

3. The next steps for the Project are to monitor drilling results in nearby areas incorporating results into ongoing geoscience studies and seek to enter into a partnering arrangement in respect of the Project with a reputable Canadian company to move to the drilling phase of the project.
4. Following the Demerger, Tamaska will be free to pursue new business opportunities likely to achieve greater recognition in the Australian stock market. To assist this, Tamaska will undertake a rights issue to restore working capital, as described in Section 1.7.

To effect the Demerger, Tamaska has incorporated a new subsidiary, TMK Montney. Subject to Shareholders approving Resolution 1 and 2 and the Company obtaining the ATO Rulings, TMK Montney will be transferred 100% of Warren (which holds a 40% interest in the Montney Asset) in return for issuing TMK Montney Shares to Tamaska. The total of 71,400,000 TMK Montney Shares on issue will then be distributed by Tamaska to Shareholders on a 1 for 10 basis (an in-specie distribution).

## **1.2 The Montney Asset**

The Montney formation is located in north-east British Columbia and adjoining parts of Alberta and was originally known as one of the most productive and low cost natural gas plays in Canada. The liquids-rich parts of the Montney play emerged and began to be developed in late 2013 and 2014. Following some exceptional results, the liquids-rich Montney became one of the most commercially attractive unconventional prospects in North America. A rush to find where new liquids-rich sweet-spots might emerge along the play ensued as existing and aspiring Montney players started assessing new areas for land acquisition.

Like other unconventional plays, the heterogeneous nature of reservoir quality and liquids content within the Montney creates sweet-spots both laterally and vertically within prospective areas. Using an extensive digital well-log dataset of over 10,000 wells, the JV identified potential new liquids sweet-spots in the play using a regional Common Risk Segment Mapping approach.

The JV identified and established a position of 83 Land Sections (22,534 Ha) in four liquids-rich areas along the trend. A total of approximately 95 Land Sections are anticipated on completion of the acreage accretion strategy. All four of the new areas have yielded impressive drilling results from near-by operators in 2015 which has already begun to de-risk the newly identified areas.

Further information in respect of the Montney Asset is set out in Schedule 1.

## **1.3 Restructure Agreement**

The Company has entered into the Restructure Agreement dated 10 August 2015. The material terms of the Restructure Agreement in relation to the Company are as follows:

- (a) Subject to, and immediately following, Shareholder approval of the Resolutions and the Company obtaining the ATO Rulings,
  - Tamaska will capitalise the amount of the loan from Tamaska to Warren at the date of completion into fully paid ordinary shares in Warren;
  - Tamaska will sell and TMK Montney will purchase 100% of the Warren Shares for consideration of 71,399,999 shares in TMK Montney with a paid up value in aggregate equal to the fair market value of the Warren Assets, being 6.8 cents per TMK Montney Share or A\$4,855,200;
  - On completion, Tamaska nominates that the TMK Montney Shares are issued directly to the Shareholders of Tamaska, as part of an in specie distribution of 100% of the TMK Montney Shares held by Tamaska;
  - TMK Montney will make an offer to each existing holder of Tamaska Options to issue 1 TMK Montney Option (for no consideration) for every 10 Tamaska Options held. The TMK Montney Options will be exercisable at 9 cents each on or before 31 March 2019; and
- (b) Tamaska will seek the ATO Rulings.

A diagram showing the corporate structure of the Tamaska group both pre and post the Demerger is set out in Schedule 5.

## 1.4 ATO Rulings

As part of the Demerger, the Company will seek rulings from the Australian Taxation Office as follows:

- (a) a Class Ruling confirming that the Demerger does not create any Australian taxable event for Shareholders and Option holders and that the appropriate cost base split is recognised; and
- (b) a Private Binding Ruling confirming that there is no taxable event for the Company at the point of transfer of the TMK Montney Shares,

(together the **ATO Rulings**).

## 1.5 TMK Montney

TMK Montney is a public unlisted company incorporated on 16 July 2015 in Western Australia for the specific purpose of holding the Warren Shares following completion of the Demerger.

Following completion of the Demerger, Warren will be a 100% subsidiary of TMK Montney and the only asset of TMK Montney. Warren will hold approximately CAD\$450,000 in cash (less any expenditures post 31 July 2015), enabling it to complete the land acquisition phase of the Montney Asset. Please refer to Schedule 4 and 5, which sets out the financial and ownership structure of TMK Montney pre and post Demerger.

Given TMK Montney will not be listed on the ASX, ongoing disclosure of information to shareholders will mostly be by shareholder updates communicated directly to shareholders and statutory returns.

## 1.6 Advantages and disadvantages of the Demerger

The Directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

### Advantages

- (a) Shareholders will retain their current shareholding in Tamaska and also receive a proportional share holding in TMK Montney with a book value of 0.68 cents per Tamaska Share held.
- (b) Tamaska will be free to pursue new business opportunities likely to achieve greater recognition in the ASX, without diluting Shareholder's interests in the Montney Asset.
- (c) In an unlisted structure, the underlying value of the Montney Asset can be unlocked over time and with low overheads and minimal dilution to shareholders.

The next steps for the Project are to monitor drilling results in nearby areas, incorporating results into ongoing geoscience studies and seek to enter into a partnering arrangement in respect of the Project with a reputable Canadian company to move to the drilling phase of the Project.

### Disadvantages

- (a) TMK Montney Ltd is an unlisted company, consequently its shares are not easily sold. Whilst every effort will be made to unlock the value of the Montney Asset and establish liquidity in the TMK Montney Shares, there is no guarantee that this will be achieved.
- (b) Tamaska is planning to undertake a rights issue to raise working capital to fund the Company whilst seeking new business opportunities (refer to Section 1.7). This may result in dilution of an individual Shareholder's position if they do not take up their entitlement.
- (c) TMK Montney is dependent upon successfully achieving a partnering arrangement to provide requisite funding to properly advance the Project.
- (d) Although TMK Montney will provide regular shareholder updates, it will not be subject to ASX continuous disclosure rules.

## **1.7 Future of the Company following completion of the Demerger**

Following completion of the Demerger, the Company will continue to produce oil and gas from its US producing properties, West Klondike and Fusselman and seek a new project.

The Wilberts Sons LLC #1 exploration well on the West Klondike Prospect in Louisiana drilled to its total depth of 10,900ft on 13 December 2012. Electric logs confirmed it as a discovery well with material net pay in two separate target horizons, with 4ft in the Lario sands, 6ft in the U Nod Blan and 35ft in the Nod Blan sands. West Klondike has completed producing gas from the lowest of 3 zones (Lower Nod Blan, zone 1) and is scheduled for recompletion to a second gas sand in August 2015. Thereafter there is an oil zone in the Lario Sand that will be placed on production. The oil zone is anticipated to be the highest value zone when put on production.

The Fusselman Well, Clayton Johnson #3F, operated by Marshfield Oil & Gas, was drilled to its total depth of 9,883 feet on 3 January 2013. Tamaska holds a 12.5% working interest in the Fusselman Project in Borden County, Texas. The well has been producing oil since January 2013 and is now at a high water cut but very gradual decline. Assuming oil prices remain over US\$50 per barrel the well is expected to have several years of life.

Subject to completion of the Demerger, the Company plans to raise additional working capital by undertaking a renounceable rights issue offering 3 Shares for every 2 Shares held at a price of 0.2 cents per Share to raise approximately \$2.14 million before costs.

The Company is actively pursuing potential oil and gas investment opportunities or other business opportunities likely to be recognised by the Australian market. Proceeds of the above capital raising will provide the Company with adequate funds to pursue such opportunities.

There are no changes proposed to the Board of the Company as a result of the Demerger.

## **1.8 Future of the Company if the Demerger is not approved.**

In the event Shareholders do not approve the Demerger, the Company will not transfer its interest in Warren to TMK Montney and will:

- (a) Limit operational activity to desk top geoscience studies where possible to enhance the value of the Montney Asset;
- (b) Seek a partner for the Montney Asset to ensure drilling operations;
- (c) Not proceed with the above rights issue;
- (d) Possibly seek to raise funds via a share issue or a disposal of parts of the Montney JV acreage to fund ongoing business running cost; and
- (e) Seek to acquire new projects which are likely to have greater recognition in the Australian stock market.

## **1.9 Future of TMK Montney if the Demerger is approved**

Following completion of the Demerger, ongoing activities of TMK Montney will be:

- (a) To complete the land acquisition of the Montney Asset increasing the number of Land Sections from 83 to approximately 95;
- (b) Continue to actively incorporate nearby drilling results into ongoing geoscience studies where possible to enhance the value of the Montney Asset over time; and
- (c) Continue to monitor competitor drilling in nearby areas and seek to enter into a partnering arrangement in respect of the Montney Asset with a reputable Canadian company that will properly advance the Montney Asset through drilling.

TMK Montney may require a small capital raising in the future to cover ongoing Montney Asset overheads prior to a partnering arrangement being finalised.

## **1.10 Directors' Recommendation**

After considering all relevant factors, the Directors unanimously recommend the Shareholders vote in favour of Resolutions 1 and 2 for the following reasons:

- (d) after a full and proper assessment of all available information they believe that the proposed Demerger of the Montney Asset is in the best interests of the Shareholders and the Company;
- (e) in the opinion of the Directors, the advantages of the Demerger outweigh its disadvantages as set out in Section 1.6; and
- (f) the Directors are satisfied that the Demerger is the best option available to realise the value of the Montney Asset in the current circumstances and market conditions facing the Company.

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## **2. Resolution 1 – Authorise disposal of Montney Asset**

As detailed in Section 1, the Company is proposing to dispose of its main undertaking, the Montney Asset to Shareholders via the Demerger. Resolution 1 seeks Shareholder approval of the disposal of the Montney Asset pursuant to Listing Rule 11.2.

Listing Rule 11.2 provides that a company may not dispose of its main undertaking (that is, its main asset or business) without the approval of its shareholders. The disposal of the Montney Asset requires the approval by way of an ordinary resolution of the Shareholders.

Refer to Section 1 for further information on the proposed disposal of the Montney Asset via the Demerger.

Resolution 1 is an ordinary resolution.

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## **3. Resolution 2 – Approval of equal reduction in capital**

### **3.1 General**

As detailed in Section 1.3 above, the Company and TMK Montney have entered into the Restructure Agreement pursuant to which, subject to Shareholders approving Resolutions 1 and 2 and the Company obtaining the ATO Rulings, the Company will transfer the Warren Shares to TMK Montney in exchange for TMK Montney issuing 71,399,999 TMK Montney Shares to the Company.

The Company has nominated that on completion of the sale of the Warren Shares, the TMK Montney Shares be issued directly to the Shareholders. Accordingly, immediately following Shareholders approving Resolutions 1 and 2 and the Company obtaining the ATO Rulings, the Company will transfer the Warren Shares to TMK Montney and the Company will arrange the distribution of 71,400,000 TMK Montney Shares to the Shareholders pursuant to an equal reduction of capital (**Demerger**).

Based on the number of Shares currently on issue (being 714,000,000) each of the Company's Shareholders will receive 1 TMK Montney Share for every 10 Shares held on the Record Date (with fractional entitlements to be rounded down to the nearest whole TMK Montney Share).

The proposed Demerger will give Shareholders 100% of the issued capital of TMK Montney, which will own 100% of Warren.

Relevant general information in respect of the Demerger is set out in Section 1. In addition, the following specific information is provided.

### 3.2 Timetable

The anticipated timetable for the capital reduction and in specie distribution is set out below (assuming a draft ruling from ATO is received prior to the General Meeting):

Despatch of Notice of General Meeting to approve disposal of the Montney Asset and the capital reduction	17 August 2015
General Meeting to approve disposal of the Montney Asset and the capital reduction Company notifies ASX that Shareholders have approved the Resolutions	15 September 2015
Ex date for the capital reduction – the date on which Shares commence trading without the entitlement to participate in the distribution	17 September 2015
Record Date for capital reduction	21 September 2015
Completion of Demerger including In Specie Distribution of TMK Montney Shares to Shareholders	25 September 2015
Date holding statements are sent to Shareholders	25 September 2015

The timetable above (other than the date of the General Meeting) is indicative only, and may be changed at the discretion of the Directors (subject to the Listing Rules) or as required by ASX.

### 3.3 TMK Montney Shares not listed

TMK Montney is an unlisted Australian public company. Accordingly the TMK Montney Shares will not be listed on the ASX or any other securities exchange.

### 3.4 Requirements under section 256B and section 256C of the Corporations Act

The in-specie distribution of the TMK Montney Shares to Eligible Shareholders by way of capital reduction is an equal reduction of capital under the Corporations Act. Under section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of the Company.

Section 256B of the Corporations Act provides that the Company may only reduce its share capital if the reduction:

- (a) is fair and reasonable to the Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders under section 256C of the Corporations Act.

For the reasons set out in this Explanatory Memorandum, the Directors are of the view that the proposed capital reduction is fair and reasonable to Shareholders and that the reduction of capital will not prejudice the Company's ability to pay its creditors.

### 3.5 The effect of the proposed equal reduction of capital on the Company

If the Demerger is approved, the share capital and net assets of the Company will be reduced by approximately \$4.85 million.

A pro forma balance sheet of the Company as at 30 April 2015 is contained in Schedule 4 which shows the financial impact of the capital reduction on the Company (assuming that no further Shares are issued).

### 3.6 The effect of the proposed equal reduction of capital on Shareholders

The TMK Montney Shares will be distributed to Eligible Shareholders on a pro-rata basis, with fractional entitlements to be rounded down to the nearest whole TMK Montney Share. Eligible Shareholders will not be required to pay any additional consideration for the TMK Montney Shares. The terms of the capital reduction are the same for each Eligible Shareholder (subject to sections 3.7 and 3.10 of this Explanatory Memorandum).

As at the date of this Notice of Meeting, the Company has 714,000,000 Shares on issue. No additional Shares will be issued as a result of the Demerger. Assuming no Options are exercised, the Company will have 714,000,000 Shares on issue as at the Record Date.

The Directors propose to distribute 71,400,000 TMK Montney Shares, so assuming that there are 714,000,000 Shares on issue on the Record Date, the ratio for distribution will be 1 TMK Montney Share for every 10 Shares held by Eligible Shareholders on the Record Date. If any existing Options are exercised prior to the Record Date, this will impact the number of TMK Montney Shares distributed (this is not expected to occur to any material extent). A summary of the financial impact of the capital reduction is set out in Schedule 4.

The number of Shares held by Shareholders will not change, and Shareholders will retain their current percentage shareholding interest in the Company, after the Demerger. However, if the Demerger is implemented, the value of the Shares will be less than the value of the Shares held prior to the Demerger because, after the Demerger, the Company will not retain an interest in Warren. The decrease in book value is 0.68 cents per Tamaska Share. The rights attaching to Shares will not be altered by the Demerger.

Given the capital reduction is equal and the Company will still have positive net assets following the Demerger, the Directors consider the capital reduction is fair and reasonable to Shareholders as a whole.

### 3.7 The effect of the proposed equal reduction of capital on Option holders

In order to receive TMK Montney Shares pursuant to the Demerger, Option holders must exercise their Options and be registered on the Company's share register on the Record Date.

In accordance with Listing Rule 7.22.3, the number of Options on issue following the Demerger will remain the same, but the exercise price of each Option will be reduced by the amount of capital returned (book value) in relation to each Share, being 0.68 cents per Tamaska Share. This means the exercise price of each Option remaining on issue at the time of completion of the Demerger will be reduced by approximately 0.68 cents.

As of the date that the Demerger becomes effective, the Company will have the following Options on issue:

Number of Options	Exercise Price Pre Demerger	Exercise Price Post Demerger	Expiry	Listed status
180,000,000	1.6 cents	0.92 cents	31/3/2019	Unlisted

\*At the date of this Notice the Company also has on issue 32,600,000 listed Options exercisable at 50 cents or on before 17 August 2015. These Options will either have been exercised or have expired at the date that the Demerger becomes effective. Based on the exercise price of these Options they will most likely expire. In addition the Company also has 3,000,000 unlisted options exercisable at 15 cents each on or before 3 October 2017, the holder of these options has agreed to have these options cancelled.

If issued options in a company demerging represent more than 10% of issued shares, the demerger relief for Australian income tax purposes requires the company to replicate the issued options structure in the demerged entity on a value basis, i.e. existing Tamaska option holders must be offered new options in TMK Montney representing a similar percentage of TMK Montney and such that the value of the Tamaska options pre-demerger is approximately equal to the value of the Tamaska options post demerger plus the value of the new options in TMK Montney. This is to prevent value shifting in a demerger either in favour of or against option holders. The Company has undertaken the appropriate

valuations and Tamaska Option holders will be offered 18,000,000 TMK Montney Options on completion of the Demerger on the basis of one TMK Montney Option for every ten Tamaska Options held. Each TMK Montney Option will be exercisable at 9 cents on or before 31 March 2019 and the remaining terms of the TMK Montney Options will be similar to the remaining terms of the Tamaska Options assuming vesting conditions (if any) have been satisfied.

### 3.8 Capital Structure of the Company

Below is a table showing the Company's capital structure pre and post Demerger (assuming none of the Options are exercised).

	Shares	Options
Balance at the date of this Notice	714,000,000	215,600,000*
Balance following completion of the Demerger	714,000,000	180,000,000**

\* Refer to Section 3.7 for details of the Options.

\*\* 32,600,000 listed Options expire on 17 August 2015 which will be prior to completion of the Demerger and 3,000,000 options exercisable on 3 October 2017 will be cancelled prior to the demerger for nil consideration with agreement of the holder of these Option.

### 3.9 Capital Structure of TMK Montney

Below is a table showing TMK Montney's capital structure pre and post Demerger.

	TMK Montney Shares	TMK Montney Options
Balance at the date of this Notice	1	Nil
Balance following completion of the Demerger	71,400,000	18,000,000*

\* Refer to Section 3.7 for details of the TMK Montney Options.

### 3.10 Overseas Shareholders

Distribution of the TMK Montney Shares to Overseas Shareholders pursuant to the Demerger will be subject to the legal and regulatory requirements in the relevant overseas jurisdiction. At the date of this Notice, the Company has only one Overseas Shareholder and will seek to resolve the jurisdictional implications with that Shareholder directly.

If the Company is unable to resolve the legal implications of the Demerger with the current Overseas Shareholder, or if the Company acquires new Overseas Shareholders prior to the Record Date, the TMK Montney Shares to which the relevant Overseas Shareholders would otherwise be entitled will be sold by the Company on behalf of those Shareholders as soon as practicable after the Record Date. The Company will then account to the relevant Shareholders for the net proceeds of the sale after deducting the costs and expenses of the sale. The net proceeds of sale to be distributed to the relevant Overseas Shareholders may be more or less than the notional dollar value of the TMK Montney Shares as set out in this Notice.

### 3.11 Board of TMK Montney

The Board of TMK Montney comprises the same Directors as the Company, being as follows:

#### **Mr Alexander Parks – Executive Director – Appointed 17/2/2014**

Mr Parks is an executive with over 15 years' experience in the oil industry. Prior to joining Tamaska he has held the positions of CCO at Cue Energy Resources Ltd, CEO of Mosaic Oil NL, CEO of Otto Energy Ltd and Technical Director at RPS Energy. Mr Parks has extensive experience in Australia, SE Asia, New Zealand, Europe, Former Soviet Union and North Africa. Projects have included onshore and offshore exploration and development and significant new ventures and transaction experience. Mr Parks has a Master of Engineering, Petroleum Engineering degree from the Imperial College London, is a member of

the Society of Petroleum Engineers (SPE), is a Member of both the Petroleum Exploration Society of Australia (PESA) and Australian Institute of Company Directors (GAICD).

#### **Mr Brett Lawrence – Non-executive Director – Appointed 1/2/2015**

Mr Lawrence has 10 years' of diverse experience in the oil and gas industry. Mr Lawrence worked with Apache Energy for over eight years, performing roles in drilling engineering, reservoir engineering, project development and commercial management before seeking new venture opportunities with ASX listed companies. Mr Lawrence was recently the Managing Director of ASX listed Macro Energy Limited. Brett holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia.

#### **Mr Justin Norris – Non-executive Director – Appointed 23/10/2014**

Mr Norris has over 16 years' experience in the oil industry and is one of the founding partners of Havoc Partners LLP (Havoc). Havoc is a natural resources investment partnership focussed primarily on the oil and gas sector. Havoc holds an 11.4% shareholding in Tamaska.

Mr Norris began his professional career with Schlumberger Oilfield Services working on several assignments within Nigeria, Yemen, Australia, Myanmar, PNG and New Zealand. Mr Norris has extensive experience throughout Africa having previously held positions with Fusion Oil & Gas NL and Ophir Energy plc where he held the roles of Senior Explorationist, Exploration Manager and New Ventures Manager. Mr Norris has a Bachelor of Science from Curtin University and is a member of the Society of Exploration Geophysics (SEG), Petroleum Exploration Society of Great Britain (PESGB), European Association of Geoscientists and Engineers (EAGE) and the American Association of Petroleum Geologists.

### **3.12 Directors' interests**

Set out in the table below are details of Directors' relevant interests in the Securities of the Company at the date of this Notice and the TMK Montney Shares and TMK Montney Options that they are likely to receive if Resolution 2 is passed:

Director	Shares	Options	TMK Montney Shares	TMK Montney Options***
Alexander Parks	5,308,000	24,000,000* 3,000,000**	530,800	2,400,000
Brett Lawrence	nil	20,000,000*	nil	2,000,000
Justin Norris	10,000,000	3,000,000*	1,000,000	300,000

\* Each exercisable at 1.6 cents on or before 31 March 2019.

\*\* Each exercisable at 15 cents on or before 3 October 2017, which will be cancelled prior to completion.

\*\*\* Each exercisable at 9 cents on or before 31 March 2019.

### **3.13 Directors' remuneration**

#### **(a) Company Remuneration**

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$300,000 per annum to be paid as non-executive Directors' fees. It is currently resolved that each non-executive Director is entitled to receive fees of \$20,000 per annum (inclusive of superannuation).

Mr Alexander Parks currently receives a salary of \$160,000 per annum (inclusive of superannuation and Director's fees) for his role as Managing Director and CEO of the Company.

Directors have received the following remuneration for the preceding two financial years:

Directors	Year	Salary & Fees \$	Share Based Payments \$	Total \$
Alexander Parks	2015	\$188,333	\$168,126	\$356,459
	2014	\$145,000	\$97,089	\$242,089
Brett Lawrence	2015	\$118,333	\$82,368	\$200,701
	2014	\$40,000	-	\$40,000
Justin Norris*	2015	\$10,000	-	\$10,000
	2014	-	-	-

(b) TMK Montney Remuneration

It is proposed that, following completion of the Demerger, the Directors/TMK Montney Directors will receive the same fees in respect of their roles as a director of the Company and a director of TMK Montney but 50% will be payable by Tamaska and 50% will be payable by TMK Montney.

Since TMK Montney's incorporation on 16 July 2015, each TMK Montney Director has received nil remuneration for their role as a director of TMK Montney.

The Constitution of TMK Montney has an aggregate amount of up to \$150,000 per annum to be paid as non-executive directors fees approved, however, directors' fees are as described above.

### 3.14 Rights attaching to TMK Montney Shares

Refer to Schedule 6 for a summary of the rights attaching to TMK Montney Shares.

### 3.15 Risk factors

On completion of the Demerger, the Company's Shareholders will become direct shareholders in TMK Montney and should be aware of the general and specific risks that may affect TMK Montney and the value of its securities. These risk factors are outlined in Schedule 7.

### 3.16 Tax consequences

The Company has sought a class ruling from the ATO seeking to confirm demerger relief for income tax purposes will be available to Shareholders. Under demerger relief, the distribution of TMK Montney Shares should not be a taxable dividend for income tax purposes, and any capital gain or loss from the demerger should be disregarded, provided the Shareholder elects for this capital gains tax (CGT) relief to apply.

Under demerger relief, a shareholder's cost base and reduced cost base of their shares in Tamaska before the demerger should be apportioned across their shares in Tamaska and TMK Montney after the demerger on a reasonable basis and the TMK Montney Shares will be treated as being acquired at the same time as the shareholder's Tamaska shares for the purposes of the CGT discount.

Shareholders should consult their own professional advisors to confirm these implications as they may vary depending on individual circumstances and taxation positions.

Once a Class ruling has been received, it will be posted on the Company's website [www.tamaska.com.au](http://www.tamaska.com.au).

### 3.17 Lodgement with ASIC

The Company has lodged with the ASIC a copy of this Notice of Meeting and the Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act. The Company has also lodged with ASIC a copy of the Prospectus that accompanies this Notice of Meeting at the same time the Notice of Meeting was lodged with ASIC.

The ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

### **3.18 Disclosure to the ASX and ASIC**

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 of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

### **3.19 Other Material Information**

There is no information material to the making of a decision by Shareholders whether or not to approve the Resolutions (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum, the accompanying Prospectus and information the Company has previously disclosed to Shareholders.

### **3.20 Other Legal Requirements**

Under ASIC Regulatory Guide 188, an invitation to Shareholders to vote on Resolution 2 for the in specie distribution of TMK Montney Shares to Shareholders constitutes an offer of securities under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies. As no exemption applies, the Company has prepared a prospectus that contains information in relation to TMK Montney (**Prospectus**).

The Prospectus accompanies this Notice of Meeting and has been lodged with ASIC at the same time as this Notice of Meeting. The Company recommends that all Shareholders read the Prospectus carefully and in conjunction with this Notice of Meeting. The Prospectus also allows Shareholders to sell their TMK Montney Shares within the first 12 months after receiving them.

## Schedule 1 – The Montney Asset

### Highlights

- 83 Land Sections (22,534 Ha) acquired to date with a target of approximately 95 Land Sections in total
- One of the most commercially robust 'tight' liquids prospect in North America
- 2015 results from surrounding wells are actively de-risking the JV identified liquid sweet-spots with impressive results

### 1. The Montney Play

The Montney is a Lower Triassic aged formation in the Western Canadian Sedimentary Basin extending over 180,000 square kilometres from north-east British Columbia to north-west Alberta, Figure 1. The siltstones of the Montney Formation form part of the Western Canada 'Deep Basin' system, a pervasive hydrocarbon system of organic rich shales and siltstones where tight reservoirs exist in close proximity to matured hydrocarbon expelling source rocks.

Like the Eagle Ford, Utica Shale, and other unconventional plays in North America, the Montney has dry gas, liquids-rich gas, and oil windows. As the generated hydrocarbons are in-situ, or in very close proximity to the mature source rocks, the system becomes 'inverted' from the conventional sense so that water sits above the oil window, which in turn sits above increasingly dryer gas with depth (Figures 1 and 2).

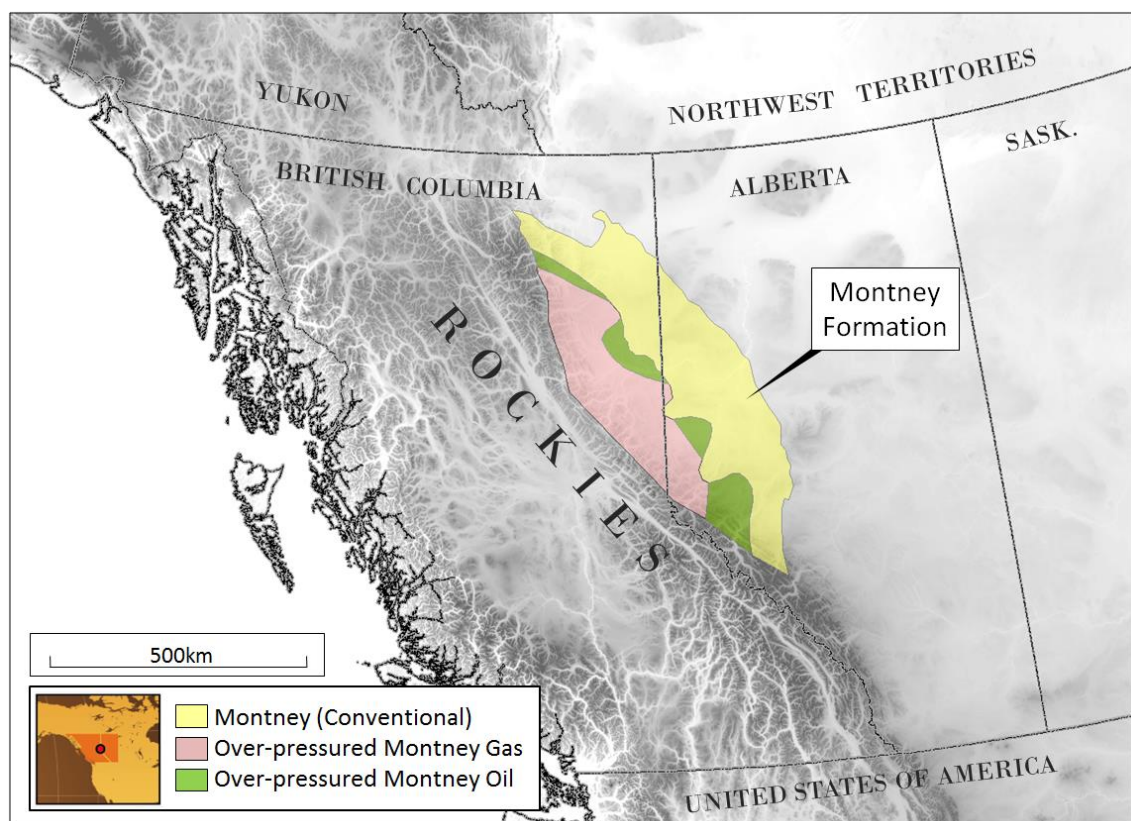


Figure 1 – Location of the Montney Siltstone Play (Western Canada)

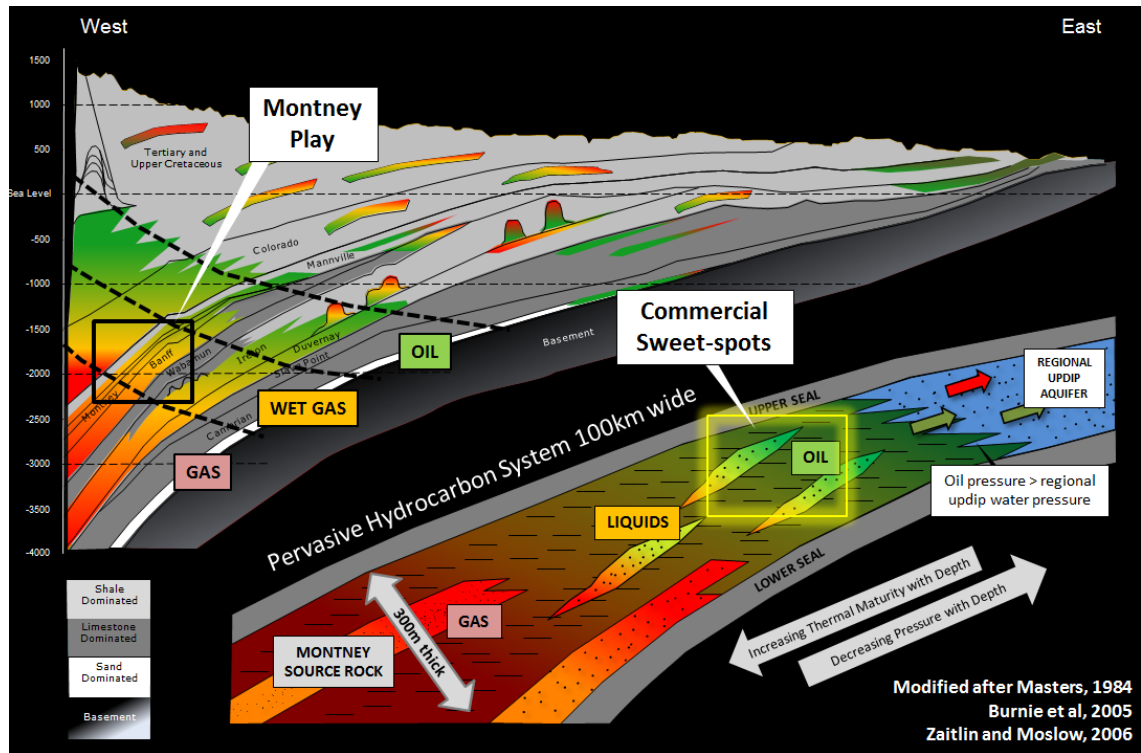


Figure 2 – Representative cross section across the Western Canadian Sedimentary Basin illustrating the 'Deep Basin' hydrocarbon system

## 2. Context

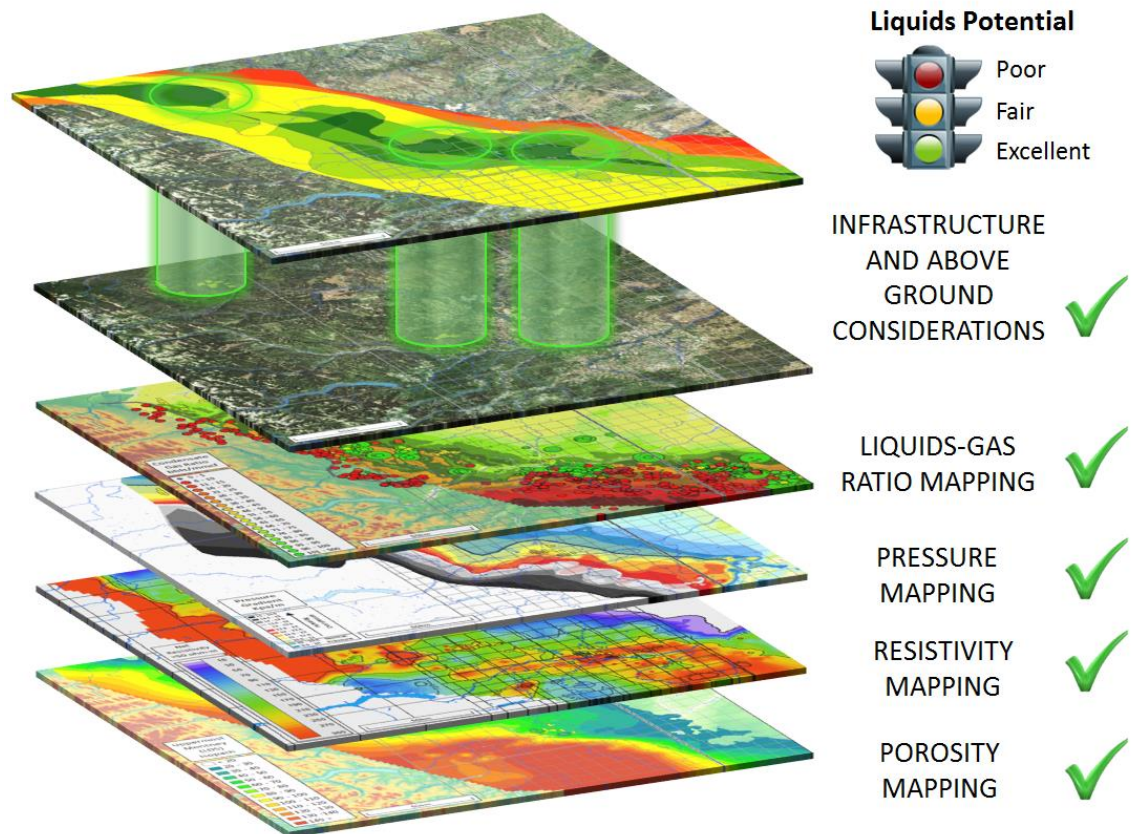
Liquids-rich parts of the Montney in north-east British Columbia emerged and began to be developed in late 2013 and 2014. Following some exceptional results in liquids-rich areas the Montney was thrust on to the scene as one of the most commercially attractive and compelling unconventional prospects in North America. A rush to find where new liquid-rich sweet-spots might emerge along the play ensued as existing and aspiring Montney companies started assessing new areas for land acquisition.

Like other unconventional plays, the heterogeneous nature of reservoir quality and liquids content within the Montney creates sweet-spots both laterally and vertically within the Land Section. Using an extensive digital well-log dataset of over 10,000 existing public domain wells, the JV aimed to identify potential new liquids sweet-spots in the play using a regional Common Risk Segment Mapping approach.

Recognition of critical play elements within the hydrocarbon system were 'stacked' to identify potential sweet-spots. Through calibration to existing production, Common Recovery Segment Maps were used to create detailed interpretations across the play.

## 3. Sweet-spot Mapping

The first step in understanding the play was to characterise and isolate the interpreted play components of the system. Studying the more than 3500 horizontal wells currently producing in the play allowed the JV to develop an understanding of what the key components of the hydrocarbon system were. Proven and potential 'sweet-spots' became apparent as the play components were 'stacked'. Following the sweet-spot mapping process several areas were high graded for targeted land acquisition, Figure 3.



*Figure 3 – Sweet-spot mapping for areas of high liquids potential in the Montney Play. The key components mapped spatially included Porosity, Resistivity, Pressure, Liquids-Gas ratio and above ground considerations such as terrain and infrastructure. The resultant ‘stacked’ map identifies potential ‘sweet-spots’ within the play.*

Following the detailed regional play fairway analysis the JV has developed a current acreage position of 83 Land Sections (2,534 Ha) in three recognised liquids-rich areas. A total of approximately 95 Land Sections are anticipated on completion of the acreage accretion strategy. All three of the new areas have yielded impressive drilling results from near-by operators in 2015 which has already begun to de-risk the newly identified areas, Figure 4.

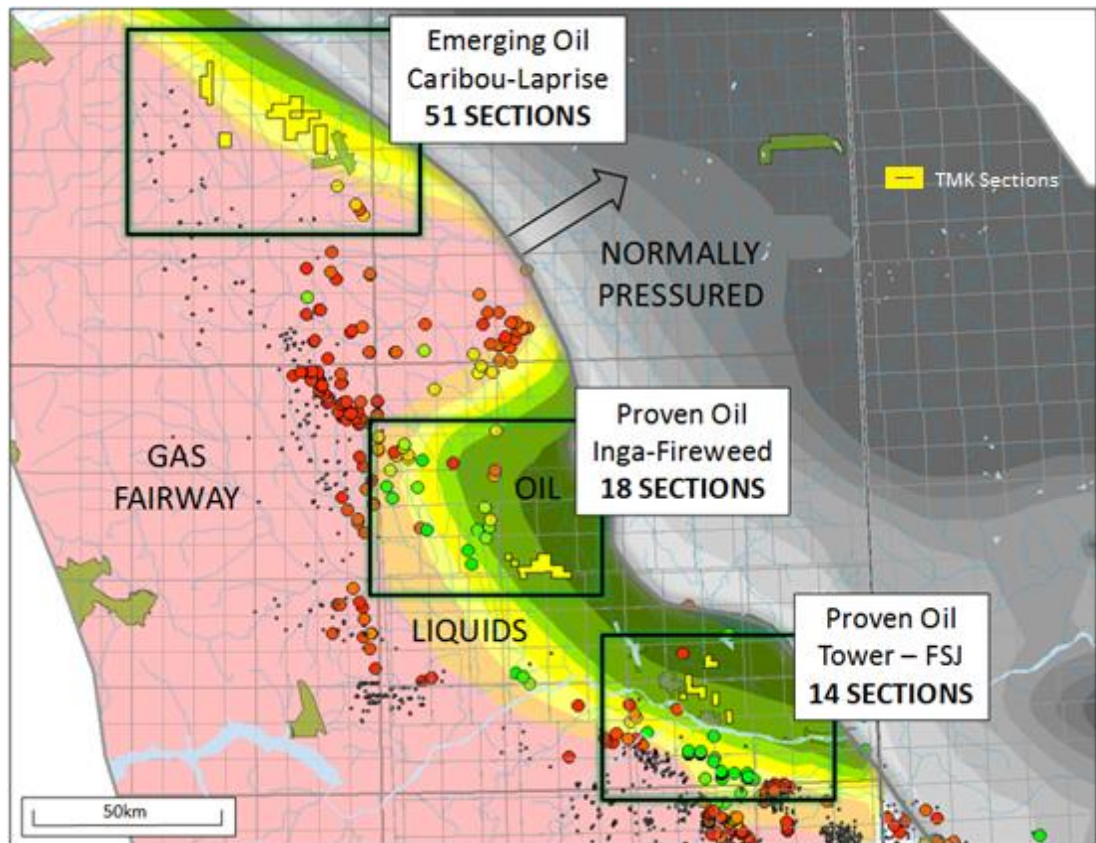


Figure 4 – Emerging and Proven Liquids-rich areas of the Montney Play in British Columbia, Canada

#### 4. Calculating Recovery Potential

Calculating estimated ultimate recovery (EUR) and recovery factor (RF) in unconventional plays is challenging because the RF and resultant EUR is dependent on how the resource is developed (e.g. well density, horizontal length, and fracking technique). By calibrating the geological drivers to known nearby production, and assuming equivalent development density, completion design, and production results, an interpretation of how recovery may change spatially due to geological variations is possible. This is a useful exercise used for sweet-spot identification, however, it does not produce reportable resource estimates.

#### 5. Summary

The JV has used an internally developed calibrated approach to identifying potential sweet-spots in the Montney and subsequently quantify the resource potential.

The resource potential of the play has been identified using calibrated reservoir characteristics and production performance from key nearby wells, multi-attribute cross-plot analysis, and mapping of the key geological play components. The approach combines efficient data manipulation of the Canadian public data system with the Common Risk Segment Mapping method.

The JV believes that this detailed, multi-layer technical approach is likely to have identified the best available sweet-spots in the liquids-rich Montney play (which have now been acquired), and this will be recognised and proven-up over time.

#### 6. Competent Persons Statement

Mr Cockerill is a Geologist who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information in the form it is presented.

## 7. Drilling License commitments and funding

At the date of this Notice, the JV holds 83 Land Sections of land in the form of 34 Drilling Licences.

### Rental Commitments

Drilling Licences held by the Montney JV provide the right to explore petroleum and natural gas by drilling. These licences have the following conditions:

- Fort St John and Inga: 13 Drilling Licences representing 32 Land Sections (8,372 Ha) with a primary term of 3 years.
- Caribou and Pocketknife: 21 Drilling Licences representing 51 Land Sections (14,162 Ha) with a primary term of 4 years.
- A minimum 1 year extension can be requested for a payment of C\$500/licence and C\$7/Ha. Additional extensions can be requested.
- Annual rent payable is C\$3.50/Ha.
- There are no cancellation fees should the yearly rental not be paid or the Drilling Licences lapse and not be reinstated.

### Converting Licences to Leases

Each Montney Section in a Drilling Licence can be converted to a Petroleum and Natural Gas Lease (**Lease**) with the right to explore and produce petroleum and natural gas after drilling an earning well. The purpose of doing this is to extend the exploration term or obtain the right to produce.

Fort St John and Inga:

- These areas can be converted to Leases at the rate of approximately 11 Land Sections per horizontal earning well (assuming a wellbore length greater than 3,001 metres). The Land Sections being converted can be located in any number of Drilling Licences located within 4 km of the Drilling Licence containing the earning well. Note: The precise conversion rate depends a number of factors including the length of the well-bore.
- Leases in these areas have a primary term of 5 years.
- Additional extensions can be requested.
- Leases cost C\$500/lease to be issued and annual rent payable is C\$7.50/Ha.
- There are no cancellation fees should the yearly rental not be paid or the Leases lapse and not be reinstated.

Caribou and Pocketknife:

- These areas can be converted to Leases at the rate of approximately 13 Land Sections per horizontal well (with a wellbore length greater than 3,001 metres).
- Leases in these areas have a primary term of 10 years.
- A 1 year extension can be requested for up to 3 years, for a payment of C\$15/Ha for the first year and C\$25/Ha for the second and third years. Additional extensions can be requested.
- Leases cost C\$500/lease to be issued and annual rent payable is C\$7.50/Ha.
- There are no cancellation fees should the yearly rental not be paid or the Leases lapse and not be reinstated.

The Leases can be held beyond the above term but this requires a producing well which traverses the relevant section. Horizontal wells will generally hold by production 2 or 3 Land Sections each.

During the land acquisition phase the JV has placed bids to acquire the licences through a series of land brokers who acquire the land beneficially for the JV. The results of the land bids when published only state the brokers' names. This is common practice in Canada and allows a degree of anonymity whilst progressively acquiring a land position.

Following conclusion of the land acquisition phase (expected to be September) the licences will be transferred from the brokers' names to the JV, with the ownership publicly available as Woma 60% and Warren 40%.

## 8. Budget

Assuming the Demerger is completed, TMK Montney intends to apply its cash reserves over the first 9 months following completion of the Demerger as follows:

<b>Budget Item</b>	<b>Gross Cost Estimate \$CND</b>	<b>Warren share 40% \$CND</b>
Land Rental Payments	79,000	31,000
Geoscience and Overheads	300,000	120,000
Project Farm Out Preparation	50,000	20,000
Travel and expenses	50,000	20,000
Additional 12 Land Sections	834,000	334,000
Total	1,313,000	525,000

It is noted that following completion of the Demerger Warren will hold approximately CAD\$450,000 in cash. Accordingly TMK Montney may need to raise funds to meet the budget above (refer to Section 1.9 for further information). To the extent that TMK Montney is unable to raise sufficient funds to meet the proposed budget, it will discuss reducing the amount of expenditure on Geoscience and Overheads with the JV partner, Woma.

Once a partner has been secured providing additional funding, the activity can increase building towards drilling and early production.

## 9. Technical References

Burnie, S.W. et al., 2008, Experimental and Empirical Observations Supporting a Capillary Model Involving Gas Generation, Migration, and Seal Leakage for the Origin and Occurrence of Regional Gasifers: In Understanding, Exploring, and Developing Tight-Gas Sands, S.P. Cumella et al eds. No. 3, 29-48 Tulsa, Oklahoma: Hedberg Series, AAPG

Masters, JA., 1984, Elsworth-Case study of a deep basin gas field: American Association of Petroleum Geologists Memoir 38, 316 p.

Wood, J., 2013, Water Distribution in the Montney Tight Gas Play of the Western Canadian Sedimentary Basin: Significance for Resource Evaluation. Society of Petroleum Engineers. Volume 16, Issue 3

Zaitlin, B., & Moslow, T. (2006). A Review of Deep Basin Gas Reservoirs of the Western Canada Sedimentary Basin. The Mountain Geologist. v. 43, No. 3, 257- 262

## Schedule 2 – Summary of Montney JV Tenements and Agreements

### Part 1 – Montney JV Licenses

As at 30 July 2015, the Montney JV held a 100% interest (60% Woma, 40% Warren) in the following Licenses in the Montney Project, all located in the Province of British Columbia, Canada. . The Montney JV licenses are subject to a 1% overriding royalty interest.

Crown Licence #	Legal Description	Rights	Interest	Area Ha
65036	Tract1:083-18W6: 34 084-18W6:3 Tract2: 083-18W6: 27	Tract 1: All PNG Tract 2: All PNG, excluding NG to base Pardonet-Baldonnel	100%	777
65065	Tract1:084-17W6:17 Tract 2: 084-17W6: 18, 19	Tract 1: PNG below base Cadomin-Kikanassin Tract 2: All PNG below base Charlie Lake	100%	777
65089	082-17W6:33 083-17W6: 3	Petroleum below base Charlie Lake. NG below base Montney Lag-Belloy-Taylor Flat.	100%	507
65091	Tract1:083-18W6:E24 Tract 2: 083-18W6: W24 Tract 3: 083-18W6: 25, 26	Tract 1: All PNG Tract 2: PNG below base Charlie Lake Tract 3: PNG below base Artex-Halfway-Doig	100%	781
65159	083-17W6: 17, 20	ALL PNG	100%	521
65201	083-18W6: 21	ALL PNG, excluding NG TB Montney-Belloy-Stoddart	100%	261
65270	Tract 1: 087-22W6: 9 Tract 2: 087-22W6: 17	Tract 1: PNG BB Baldonnel Tract 2: PNG BB Artex-Halfway-Doig	100%	528
65276	094-G-10 BLK A Units 18, 19, 28, 29, 38, 39, 48, 49	All PNG	100%	556
65277	094-G-10 BLK G Units 56, 57, 66, 67, 76, 77, 86, 87	All PNG	100%	554
65282	Tract 1: 086-21W6:33 Tract 2: 086-21W6: 34	Tract 1: All PNG Tract 2: PNG BB Charlie Lake	100%	525
65283	086-22W6: 33 087-22W6: 2, 3	All PNG	100%	792
65346	087-21W6: 6 087-22W6: 1, 12	All PNG	100%	792
65350	094-G-08 BLK J Units 96-99 094-G-09 BLK B Units 6-9, 16-19, 26-29	All PNG	100%	1113
65355	094-G-10 BLK G Units 34, 35, 44, 45, 54, 55, 64, 65	All PNG	100%	555
65381	Tract 1: 087-21W6: 5, 7 Tract 2: 087-21W6: 8	Tract 1: All PNG Tract 2: All PNG, excluding PNG in Cadomin- Nikinassin, and PNG in Artex-Halfway-Doig	100%	792
65391	Tract 1:094-G-09 BLK C Units54-57,64-67	Tract 1: All PNG	100%	834

	Tract 2:094-G-09 BLKC Units 58,59,68,69	Tract 2: PNG BB Artex-Halfway-Doig		
65393	094-G-10 BLK A Units 20, 30, 40, 50 094-G-10 BLK B Units 11, 21 31 41	All PNG	100%	556
65446	Tract 1: 087-21W6: 18 Tract 2: 087-21W6: 17	Tract 1: All PNG Tract 2: All PNG, excluding PNG in Cadomin-Dunlevy-Nikinassin, and PNG in Artex-Halfway-Doig	100%	528
65450	Tract1:094-G-09 BLKC Units 38,39, 48,49 Tract2:094-G-09 BLKC Units 36,37,46,47	Tract 1: All PNG Tract 2: PNG BB Artex-Halfway-Doig	100%	556
65452	094-G-09 BLK D Units 92-95 094-G-09 BLK E Units 2-5, 12, 13, 22, 23	All PNG	100%	833
65454	094-G-10 BLK G Units 74, 75, 84, 85, 94-97 094-G-10 BLK J Units 4-7	All PNG	100%	831
65456	086-21W6: 32 087-21W6: 3, 4	All PNG	100%	791
65537	Tract 1: 094-G-09 BLK C Units 76, 77, 86, 87 Tract 2: 094-G-09 BLK C Units 74, 75, 78, 79, 84, 85, 88, 89	Tract 1: All PNG Tract 2: PNG BB Artex-Halfway-Doig	100%	833
65539	094-G-10 BLK J Units 14, 15, 24, 25, 34, 35, 44, 45	All PNG	100%	554
65556	094-G-09 BLK B Units 56-59, 66-69	All PNG	100%	556
65557	094-G-09 BLK B Units 98-100 094-G-09 BLK C Units 91-93 094-G-09 BLK F Units 1-3 094-G-09 BLK G Units 8-10	PNG BB Artex-Halfway-Doig	100%	833
65558	Tract 1: 094-G-09 BLK F Units 16, 17, 26, 27 Tract 2: 094-G-09 BLK F Units 14, 15, 24, 25, 34-37, 44-47	Tract 1: All PNG Tract 2: PNG BB Artex-Halfway-Doig	100%	1110
65559	094-G-09 BLK C Units 100 094-G-09 BLK D Units 91 094-G-09 BLK E Units 1, 11, 21 094-G-09 BLK F Units 10, 20, 30	All PNG	100%	555
65591	094-G-09 BLK B Units 36, 37, 46, 47	All PNG	100%	556
65635	094-G-09 BLK C Units 52, 53, 62, 63, 72, 73, 82, 83	PNG BB Artex-Halfway-Doig	100%	556
65636	094-G-09 BLK C Units 98, 99 094-G-09 BLK F Units 8, 9, 18, 19, 28, 29	All PNG	100%	555
65659	094-G-10 BLK G Units 36, 37, 46, 47, 58, 59, 68, 69	All PNG	100%	555
65662	094-G-09 BLK C Units 96, 97 094-G-09 BLK F Units 6, 7	All PNG	100%	278
65663	094-G-09 BLK C Units 60, 70, 80, 90 094-G-09 BLK D Units 51, 61, 71-73, 81-83	All PNG	100%	833

## Part 2 – Summary of Joint Operating Agreement (JOA)

The JOA was executed on 8 September 2014 and includes subsequent amendments. The material terms are as follows:

1. Appoints Woma as Operator;
2. Splits costs associated 40% to Warren (Tamaska) and 60% to Woma (Transerv);
3. The standard Joint Operating Agreement (CAPL) used in the Canadian oil and gas industry is incorporated into and governs the JV;

4. Defines the intention of acquiring leases in addition to the initial schedule of leases in the Montney Project;
5. Defines an Area of Mutual Interest in British Columbia and Alberta, Canada;
6. Warren assumed a 1% Royalty obligation over the leases; and
7. Describes the Operating, Assignment and Farmout & Royalty Procedure with reference to and clarification of the options applicable in the CAPL template.

## Schedule 3 – Description of the Duvernay and Rock Creek Project

Warren was acquired by Tamaska (called Kilgore Oil and Gas at the time) in 2011 for a consideration of approximately \$1.1 million. Warren initially held an interest in 123 sections of land in Alberta, Canada. Warren's working interest was split as a 16% interest in sections in the Rock Creek formation and an 8% interest in sections in the Duvernay Formation. Both the Rock Creek and Duvernay are classed as unconventional tight oil and gas formations.

From 2011 to 2013 Warren participated in various sales of parts of the Rock Creek/Duvernay Projects realising approximately C\$3.6 million net to Tamaska. This involved the sale of the most prospective parts of the play to raise working capital for Warren's ongoing exploration activities. The balance of the Rock Creek/Duvernay play retained is not considered to be of material value and most of the remaining leases are being progressively relinquished by Warren and its joint venture partners as rentals fall due.

The experience with the Duvernay project has been very valuable in devising an improved strategy for land acquisition in the Montney, in particular the geoscience techniques for identifying the best areas and the strategic focus on acquiring contiguous land positions in niche potentially liquids rich sweet spots.

### Rock Creek and Duvernay Tenements

As at 10 August 2015, Warren has an interest in the following tenements, all located in the Province of Alberta, Canada. The Duvernay/Rock Creek leases are subject to overriding royalty interests totalling 4.25%.

Crown Lease or Licence #	Legal Description	Rights	Interest
410090077	T38-R4W5: NW16	b.b. Mann.to b.Rock Cr.	16%
410090077	T38-R4W5: NW16	b.b. Rock Cr.	8%
410090078	T38-R4W5: N17	b.b. Mann.to b.Rock Cr.	16%
410090078	T38-R4W5: N17	b.b. Rock Cr. to b. Jurassic	8%
410090079	T38-R4W5: 18	b.b. Mann.to b.Rock Cr.	16%
410090079	T38-R4W5: 18	b.b. Rock Cr.	8%
510090712	T38-R5W5: 10	b.b. Mann.to b.Rock Cr.	16%
510090712	T38-R5W5: 10	b.b. Rock Cr.	8%
510090715	T38-R5W5: N&SE13	b.b. Mann.to b.Rock Cr.	16%
510090715	T38-R5W5: N&SE13	b.b. Rock Cr.	8%
510090717	T38-R5W5: NW15	b.b.Vik. to.b. Mann.	16%
510090716	T38-R5W5: NW15	b.b. Mann.to b.Rock Cr.	16%
510090716	T38-R5W5: NW15	b.b. Rock Cr.	8%
510090725	T38-R5W5: S&NE24	b.b. Mann.to b.Rock Cr.	16%
510090725	T38-R5W5: S&NE24	b.b. Rock Cr.	8%
510090756	T39-R6W5:N&SE24	surf. To b. Edmt.	16%
510080087	T41-R6W5: 19	b.b. Vik. to b. Rock Cr.	16%
510080087	T41-R6W5: 19	b.b. Rock Cr. excl. Duvernay	8%
510080087	T41-R6W5: 30	b.b. Mann. to base Rock Cr.	16%
510080087	T41-R6W5: 30	b.b. Rock Cr. excl. Duvernay	8%
510080088	T41-R7W5: 13	b.b. Vik. to b. Rock Cr.	16%
510080088	T41-R7W5: 13	b.b. Rock Cr. excl. Duvernay	8%
510120361	T41-R7W5: 14	b.b. Vik. to b. Rock Cr.	16%
510120361	T41-R7W5: 14	b.b. Rock Cr. excl. Duvernay	8%
510080091	T41-R7W5: 25	b.b. Mann.to b.Rock Cr.	16%
510080091	T41-R7W5: 25	b.b. Rock Cr. excl. Duvernay	8%
511020101	T41-R7W5: NE26	b.b. Mann.to b.Rock Cr.	16%
511020101	T41-R7W5: NE26	b.b. Rock Cr. excl. Duvernay	8%
510080093	T41-R7W5: 27	b.b. Vik. to b. Rock Cr.	16%
510080093	T41-R7W5: 27	b.b. Rock Cr. excl. Duvernay	8%
511020102	T41-R7W5: S&NW 28	b.b. Mann.to b.Rock Cr.	16%
511020102	T41-R7W5: S&NW 28	b.b. Rock Cr. excl. Duvernay	8%
510080097	T41-R7W5: S&NW 36	b.b.Vik. to b. Rock Cr.	16%

510080097	T41-R7W5: S&NW 36	b.b. Rock Cr. excl. Duvernay	8%
510080097	T41-R7W5: NE 36	b.b. Jurassic excl. Duvernay	8%
511020145	T46-R10W5:21	b.b. Mann.to b.Rock Cr.	16%
511020145	T46-R10W5:21	b.b. Rock Cr.	8%
511020147	T46-R10W5:22	b.b. Mann.to b.Rock Cr.	16%
511020147	T46-R10W5:22	b.b. Rock Cr.	8%
511020148	T46-R10W5:28	b.b. Mann.to b.Rock Cr.	16%
511020148	T46-R10W5:28	b.b. Rock Cr.	8%
511020150	T46-R10W5:33	b.b. Mann.to b.Rock Cr.	16%
511020150	T46-R10W5:33	b.b. Rock Cr.	8%
510090785	T47-R8W5:15	b.b. Mann.to b.Rock Cr.	16%
510090785	T47-R8W5:15	b.b. Rock Cr.	8%
510090786	T47-R8W5:17	b.b. Mann.to b.Rock Cr.	16%
510090786	T47-R8W5:17	b.b. Rock Cr.	8%
510090787	T47-R8W5:18	b.b. Mann.to b.Rock Cr.	16%
510090787	T47-R8W5:18	b.b. Rock Cr.	8%
510090788	T47-R8W5:20	b.b. Mann.to b.Rock Cr.	16%
510090788	T47-R8W5:20	b.b. Rock Cr.	8%
510090789	T47-R8W5:21	b.b. Mann.to b.Rock Cr.	16%
510090789	T47-R8W5:21	b.b. Rock Cr.	8%
510090790	T47-R8W5:23	b.b. Mann.to b.Rock Cr.	16%
510090790	T47-R8W5:23	b.b. Rock Cr.	8%
510090791	T47-R8W5:24	b.b. Mann.to b.Rock Cr.	16%
510090791	T47-R8W5:24	b.b. Rock Cr.	8%
510090793	T47-R8W5:25	b.b. Mann.to b.Rock Cr.	16%
510090793	T47-R8W5:25	b.b. Rock Cr.	8%
510090794	T47-R8W5:26	b.b. Mann.to b.Rock Cr.	16%
510090794	T47-R8W5:26	b.b. Rock Cr.	8%
510090795	T47-R8W5:S&NE27	b.b. Mann.to b.Rock Cr.	16%
510090795	T47-R8W5:S&NE27	b.b. Rock Cr.	8%
510090796	T47-R8W5:S28	b.b. Mann.to b.Rock Cr.	16%
510090796	T47-R8W5:S28	b.b. Rock Cr.	8%
510090798	T47-R8W5:35	b.b. Mann.to b.Rock Cr.	16%
510090798	T47-R8W5:35	b.b. Rock Cr.	8%
510090799	T47-R9W5: NE13	b.b. Mann.to b.Rock Cr.	16%
510090799	T47-R9W5: NE13	b.b. Rock Cr.	8%
511020166	T47-R10W5: 3	b.b. Mann.to b.Rock Cr.	16%
511020166	T47-R10W5: 3	b.b. Rock Cr.	8%
511020167	T47-R10W5: 4	b.b. Mann.to b.Rock Cr.	16%
511020167	T47-R10W5: 4	b.b. Rock Cr.	8%
511020168	T47-R10W5: 10	b.b. Mann.to b.Rock Cr.	16%
511020168	T47-R10W5: 10	b.b. Rock Cr.	8%
511020169	T47-R10W5: 15	b.b. Mann.to b.Rock Cr.	16%
511020169	T47-R10W5: 15	b.b. Rock Cr.	8%
511020175	T47-R10W5: W25	b.b. Mann.to b.Rock Cr.	16%
511020175	T47-R10W5: W25	b.b. Rock Cr.	8%
511020176	T47-R11W5: 13	b.b. Mann.to b.Rock Cr.	16%
511020176	T47-R11W5: 13	b.b. Rock Cr.	8%
510090803	T48-R7W5:7	b.b. Mann.to b.Rock Cr.	16%
510090803	T48-R7W5:7	b.b. Rock Cr.	8%
510090814	T48-R8W5:3	b.b. Mann.to b.Rock Cr.	16%
510090814	T48-R8W5:3	b.b. Rock Cr.	8%
510090819	T48-R8W5:11	b.b. Mann.to b.Rock Cr.	16%
510090819	T48-R8W5:11	b.b. Rock Cr.	8%
510090820	T48-R8W5:12	b.b. Mann. to b. Rock Cr.	16%
510090820	T48-R8W5:12	b.b. Rock Cr. to b. Nordegg	8%
510090824	T48-R8W5:17	b.b. Mann.to b.Rock Cr.	16%
510090824	T48-R8W5:17	b.b. Rock Cr.	8%
510090826	T48-R8W5:23	b.b. Mann.to b.Rock Cr.	16%

510090826	T48-R8W5:23	b.b. Rock Cr.	8%
510090829	T48-R8W5:S29	b.b. Nisku	8%
511100144	T49-R9W5:22	b.b. Mann. to b. Rock Cr.	16%
511100144	T49-R9W5:22	b.b. Rock Cr. to b. Nordegg	8%
511100145	T49-R9W5:23	b.b. Mann. to b. Rock Cr.	16%
511100145	T49-R9W5:23	b.b. Rock Cr. to b. Nordegg	8%
510120376	T49-R11W5:N&SW16	b.b. Rock Cr. to b. Banff	8%
510120378	T49-R11W5:N&SW16, SE21	b. b. Banff	8%
510120379	T49-R11W5:SE21	b.b. Rock Cr. to b. Banff	8%
510080155	T50-R10W5:S&NW29	b.b. Mann.to b.Rock Cr.	16%
510080155	T50-R10W5:S&NW29	b.b. Rock Cr.	8%
510080155	T50-R10W5: E32	b.b. Nisku	8%
510080156	T50-R10W5: E33	b.b. Mann.to b.Rock Cr.	16%
510080156	T50-R10W5: E33	b.b. Rock Cr.	8%
510080156	T50-R10W5: W33	b.b. Nisku	8%
511120453	T51-R9W5:N&SE17	Surf. to b. Rock Cr.	16%
511120453	T51-R9W5:N&SE17	b.b. Rock Cr.	8%
510080158	T51-R10W5:N&SE4	b.b. Vik. to b. Rock Creek.	16%
510080158	T51-R10W5:N&SE4	b.b. Rock Cr.	8%
510080160	T51-R10W5:N5	b.b. Vik. to b. Rock Cr.	16%
510080160	T51-R10W5:N5	b.b. Rock Cr.	8%
510080162	T51-R10W5:8	b.b. Mann. To b. Rock Cr.	16%
510080162	T51-R10W5:8	b.b. Rock Cr.	8%
510080162	T51-R10W5: 17	b.b. Vik. to b. Rock Cr.	16%
510080162	T51-R10W5: 17	b.b. Rock Cr.	8%
510080163	T51-R10W5:9	b.b. Vik. to b. Rock Cr.	16%
510080163	T51-R10W5:9	b.b. Rock Cr.	8%
510080170	T51-R10W5:21	b.b. Mann. To b. Rock Cr.	16%
510080170	T51-R10W5:21	b.b. Rock Cr.	8%
510120389	T53-R12W5:24	b.b. Rock Cr.	8%
510120390	T53-R12W5:35	b.b. Rock Cr.	8%
510120393	T54-R11W5:N6	b.b. Rock Cr.	8%
511080092	T54-R11W5:7	b.b. Rock Cr.	8%
511080093	T54-R12W5:12	b.b. Rock Cr.	8%
51108053	T40-R05W5:15	b.b. Mann to b. Rock Cr.	16%
051108054	T40-R05W5:22	b.b. Mann to b. Rock Cr.	16%
510090766	T40-R05W5:28	b.b. Mann to b. Rock Cr.	16%
0510090767	T40-R05W5:32	b.b. Mann to b. Rock Cr.	16%
511020095	T40-R06W5:NE12	b.b. Mann to b. Rock Cr.	16%
0511090768	T41-R05W5:6	b.b. Mann to b. Rock Cr.	16%
0511080055	T41-R05W5:7	b.b. Mann to b. Rock Cr.	16%

\* BB means below base of; Mann. means Mannville; Edmt means Edmonton; Vik means Viking; Rock Cr means Rock Creek.

## Schedule 4 – Financial Information

### 1. Financial Information of Tamaska

If the Resolutions are approved, the Demerger will have the effect of reducing the Company's share capital and net assets by approximately \$4.85 million. To illustrate the effect of the return of capital on the financial position of the Company, the Pro Forma Statement of Financial Position (unaudited) set out below has been based on the Company's management financial statements at 30 April 2015 adjusted to reflect the Demerger.

	30 April 15	Adjustments	Capital Reduction Warren	(Pro-forma after Capital Reduction)
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash & cash equivalents	1,039,176	(450,721) <sup>(2)</sup>	(490,434)	98,021
Trade & other receivables	81,521	(36,735)	-	44,786
Assets Classified as held for sale	150,118	7,824	(157,942)	-
Prepayments	14,883	(2,480)	-	12,403
<b>Total current assets</b>	<b>1,285,698</b>	<b>(482,112)</b>	<b>(648,376)</b>	<b>155,210</b>
<b>Non-current assets</b>				
Other Financial Assets - Land	3,594,372	625,972 <sup>(3)</sup>	(4,220,344)	-
Capitalised Oil & Gas Expenditure	893,062	56,810	-	949,872
<b>Total non-current assets</b>	<b>4,487,434</b>	<b>682,782</b>	<b>(4,220,344)</b>	<b>949,872</b>
<b>Total assets</b>	<b>5,773,132</b>	<b>200,670</b>	<b>(4,868,720)</b>	<b>1,105,082</b>
<b>Current liabilities</b>				
Trade & other payables	76,129	(54,673)	(13,520)	7,936
<b>Total current liabilities</b>	<b>76,129</b>	<b>(54,673)</b>	<b>(13,520)</b>	<b>7,936</b>
<b>Non current liabilities</b>				
Restoration Provision	4,256	-	-	4,256
<b>Total non current liabilities</b>	<b>4,256</b>	<b>-</b>	<b>-</b>	<b>4,256</b>
<b>Total liabilities</b>	<b>80,385</b>	<b>(54,673)</b>	<b>(13,520)</b>	<b>12,192</b>
<b>Net assets</b>	<b>5,692,747</b>	<b>255,343</b>	<b>(4,855,200)</b>	<b>1,092,890</b>
<b>Equity</b>				
Issued Share Capital	30,965,549	-	(4,855,200)	26,110,349
Issued options	408,890	-	-	408,890
Share based payment reserve	559,968	-	-	559,968
Other Reserves	1,005,029	-	-	1,005,029
Accumulated losses	(27,246,689)	255,343	-	(26,991,346)
<b>Total equity</b>	<b>5,692,747</b>	<b>255,343</b>	<b>(4,855,200)</b>	<b>1,092,890</b>

#### Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005) and to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. 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.

The pro forma statement is based on the unaudited statement of financial position as at 30 April 2015 and has then been adjusted to reflect the following material transactions.

### Pro-forma adjustments

1. Completion of the sale of the Company's Montney Assets, resulting in 71,400,000 shares in TMK Montney being issued pro-rata to Shareholders of the Company. The return of capital to Shareholders under the Capital Reduction which will have the effect of reducing the Company's assets and issued capital by \$4,855,200.
2. Reflects expected cash movements from 1 May 2015 to completion of transaction.
3. Reflects acquisition of Land Sections and G&G costs since 1 May

## 2. Financial Information of TMK Montney

TMK Montney is a holding company whose sole asset, subject to completion of the Demerger, will be 100% of the Warren Shares (refer to Schedule 5).

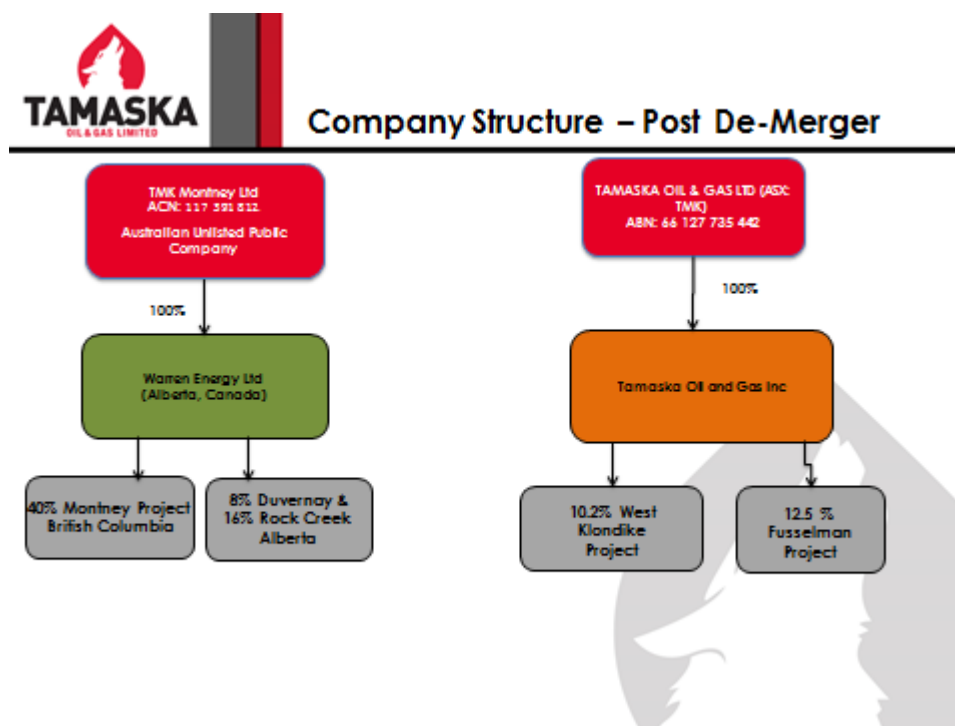
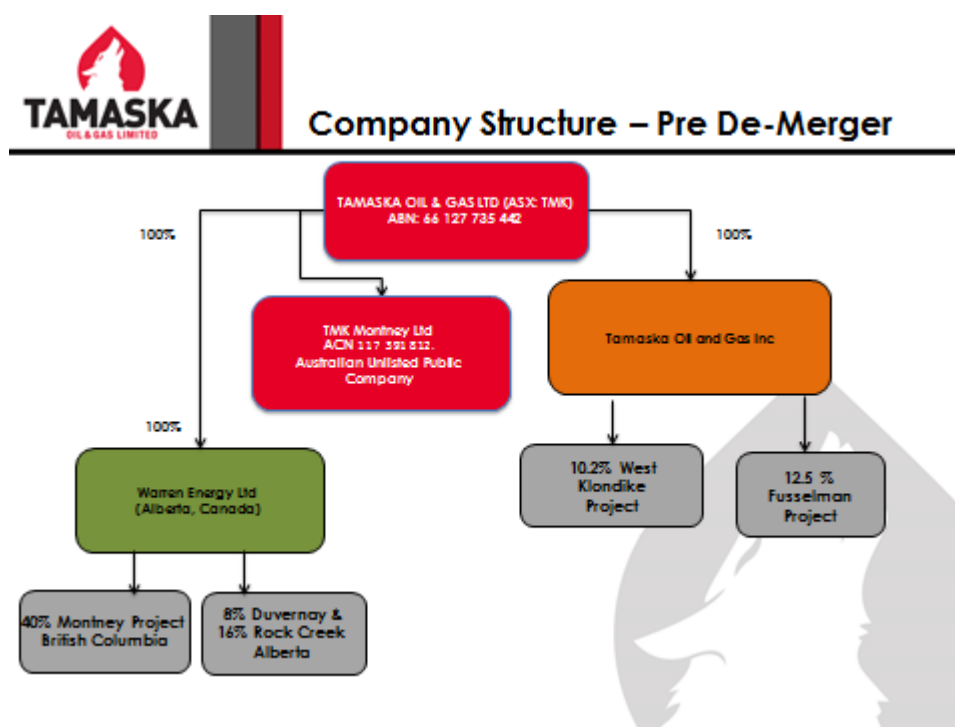
Since being acquired in 2011, Warren has been used as a holding Company specifically to acquire land sections in Canada prospective for oil and gas. The business is substantially managed by Tamaska in Perth, Australia. Warren is a non-operator and as such contributes its proportional share to the Operator (Woma) of the cost of geoscience studies and permit administration costs. Where appropriate Warren utilises local Canadian firms for submission of tax returns and statutory corporate filings.

Warren has no production revenue and in the financial period from 1 July 2014 to 30 June 2015, no land sales or income has been derived other than very small interest amounts generated by funds held locally. The unaudited consolidated balance sheet at 30 April 2015 for TMK Montney is set out below assuming the Demerger is completed.

### TMK Montney Ltd (Consolidated Balance sheet)

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash & cash equivalents	490,434
Assets Classified as held for sale	157,942
<b>Total current assets</b>	<b>648,376</b>
<b>Non-current assets</b>	
Other Financial Assets - Land	4,220,344
<b>Total non-current assets</b>	<b>4,868,720</b>
<b>Total assets</b>	
<b>Current liabilities</b>	
Trade & other payables	13,520
<b>Total current liabilities</b>	<b>13,520</b>
<b>Non-current liabilities</b>	
<b>Total non-current liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>13,520</b>
<b>Net assets</b>	<b>4,855,200</b>

## Schedule 5 - Corporate Structure – Pre and Post Demerger



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## Schedule 6 - Rights attaching to TMK Montney Shares

TMK Montney Shares proposed to be distributed to Shareholders will not be quoted on ASX and consequently shareholders will not be able to be traded on TMK Montney Shares on ASX. Once the shares are registered in the name of the Shareholder as a result of this Prospectus being issued by the Company, they may sell or transfer those shares if they can find a buyer.

The following is a summary of the more significant rights and liabilities attaching to TMK Montney Shares to be distributed to Shareholders. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders as shareholders of TMK Montney. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to TMK Montney Shares are set out in TMK Montney's constitution, a copy of which is available to view at the Company's registered office.

### (a) General Meetings and Notices

TMK Montney Shareholders are entitled to receive notice of, and be present in person, or by proxy, attorney or representative to attend and vote at general meetings of TMK Montney. Shareholders may requisition meetings in accordance with the constitution of TMK Montney.

### (b) Voting Rights

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

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each 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 a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

### (c) Dividend Rights

The directors of TMK Montney may from time to time declare and pay or credit a dividend. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the share is to the total amount payable in respect of the shares. The directors of TMK Montney may from time to time pay or credit to the shareholders such interim dividends as they may determine. Subject to the terms of issue of shares, TMK Montney may pay a dividend on one class of shares to the exclusion of another class. No dividend shall carry interest as against TMK Montney.

The directors of TMK Montney may from time to time grant to shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by TMK Montney by subscribing for shares in TMK Montney on such terms and conditions as the directors think fit. The directors of TMK Montney may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any shares of TMK Montney, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead some other form of distribution or entitlement including an issue of shares on the terms and conditions of the constitution.

### (d) Capitalisation of profit

TMK Montney may capitalise profits. Subject to the constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(e) Winding-Up

Subject to any rights or restrictions attached to a class of shares, if TMK Montney 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 TMK Montney, 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. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the shareholders entitled as the liquidator thinks fit, but so that no shareholder is compelled to accept any property, including shares or other securities, in respect of which there is any liability.

(f) Transfer of Shares

Generally, shares in TMK Montney 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.

(g) Future Increase in Capital

The issue of any new shares is under the control of the directors of TMK Montney. Subject to restrictions on the issue or grant of securities contained in the constitution of TMK Montney 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 of TMK Montney may issue shares as they shall, in their absolute discretion, determine.

(h) Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not TMK Montney is being wound up, may be varied or cancelled 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.

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## Schedule 7 - Risk Factors

As TMK Montney is in the same industry as the Company, being oil and gas exploration, the risks to the Company's Shareholder, being shareholders of TMK Montney, are similar to the risks of having an investment in the Company.

### 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 Montney Asset 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 not exist for their sale.

The marketability of hydrocarbons is also affected by numerous other factors beyond the control of TMK Montney, 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 TMK Montney 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 TMK Montney's exploration and production tenements and obtaining all consents and approvals necessary for the conduct of its exploration and production activities. Whilst indicators in relation to the Montney Asset are positive there is no guarantee that the acreage will be able to produce commercial hydrocarbons.

The value of the TMK Montney Shares will likely be affected by the results obtained by company's conducting exploration activities within the Montney formation. If the results obtained by other companies are positive then this will likely increase the value of the TMK Montney Shares. Conversely, if the results obtained by other companies are negative then this will likely decrease the value of the TMK Montney Shares.

#### (c) Commercialisation of Discoveries

It may not always be possible for TMK Montney to participate in the exploitation of successful discoveries made in any areas in which TMK Montney 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 TMK Montney. Such further work may require TMK Montney to meet or commit to financing obligations for which it may not have planned.

#### (d) Other incidents beyond the control of TMK Montney

The operations of TMK Montney may be disrupted by a variety of risks and hazards which are beyond the control of TMK Montney, 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 TMK Montney.

Although TMK Montney believes that it will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances TMK Montney's insurance may not cover, or be adequate to cover, the consequence of such events. In addition, TMK Montney may be subject to liability for pollution, blow-outs or other hazards against which TMK Montney does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(f) Competition

TMK Montney will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than TMK Montney and, as a result, may be in a better position to compete for future business opportunities. Many of TMK Montney'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 TMK Montney 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. TMK Montney operates in a competitive and dynamic market. Competitors as yet unknown to TMK Montney may emerge from time to time. Access to equipment such as rigs, infrastructure such as pipelines is not guaranteed. Future costs may rise and prices within the existing operating paradigm may fall, which may or may not restrict TMK Montney's ability to compete profitably.

(g) Regulation – General

There are a number of Canadian Federal and State policies and regulations that, if changed, may have a material impact on the financial and operational performance of TMK Montney.

The risks relating to these policies and regulations to TMK Montney's business include:

- (i) changes to the nature and extent of the regulation or licensing systems could result in a change in industry structure, which could adversely impact the growth opportunities for and profitability of its business;
- (ii) Federal or State Taxes or Royalty structure, such as a change to the Royalty Rebate Schemes ;
- (iii) changes to the State Government legislation about drilling, fracking, or environmental approvals

In addition, TMK Montney may become subject to other regulations which could increase its regulatory and compliance obligations. Any new regulatory restrictions or changes in government attitudes or policies in relation to any or all of the existing regulatory areas may adversely impact on the financial performance and position, and future prospects of TMK Montney.

(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, TMK Montney is unable to predict the future cost or impact of complying with such laws.

Permits are required in some of the areas in which TMK Montney 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 TMK Montney, which may have a material adverse effect on TMK Montney's financial performance.

**TMK Montney specific risks**

(b) Key Personnel

TMK Montney's business is reliant on the performance and expertise of key personnel, including the Board. There is a risk that TMK Montney may fail to attract, retain or develop key employees or consultants and this would have the effect on the development of the Montney Asset.

(c) Funding TMK Montney

TMK Montney will have adequate working capital to maintain a modest admin staff, technical consultants and Board for approximately 9 months (refer to the use of funds table in Schedule 1). TMK Montney may require a small capital raising in the future to cover ongoing Montney Asset overheads prior to a partnering arrangement being finalised. The ongoing viability of TMK Montney is dependent on the company raising additional funds from

farm-out, sale of land, or investors. However, the ability to raise funds may be affected by TMK Montney being an unlisted company.

(d) Liquidity

TMK Montney is an unlisted public company. Accordingly the TMK Montney Shares not be listed on the ASX or any other securities exchange. As a result, there is a liquidity risk as there may be a limited market for TMK Montney Shares and holders of TMK Montney Shares will need to arrange private sales of TMK Montney Shares.

In addition, the limited liquidity of the TMK Montney Shares may affect TMK Montney's ability to raise funds.

**General Risks**

Factors such as inflation, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, natural disasters, social upheaval and war may have an impact on prices, operating costs and market conditions generally. Accordingly, TMK Montney's future possible revenue and operations can be affected by these factors, which are beyond the control of TMK Montney.

General movements in local and international stock markets, oil and gas prices and economic conditions could all affect the value of the land held and implied value of TMK Montney's Shares.

(g) Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market prices. TMK Montney's future possible revenue and share price can be affected by these factors, which are beyond the control of TMK Montney and its Directors.

(h) Government Policy Changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of TMK Montney and may affect industry profitability.

(i) Stock Market Conditions

Share market conditions may affect the monetisation of the TMK Montney Shares regardless of the operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) movements in, or outlook on, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

The list of risk factors ought not to be taken as exhaustive of the risks faced by TMK Montney or by investors in TMK Montney. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of TMK Montney and the value of the TMK Montney Shares. The TMK Montney Shares carry no guarantee with respect to the payment of dividends, return of capital or their market value.

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## Schedule 8 - Definitions

In this Explanatory Memorandum, the Notice of Annual General Meeting, Proxy Form and Prospectus:

**A\$** means Australian Dollars

**Article** means an article of the Constitution.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ATO Rulings** has the meaning given in Section 1.4.

**AWST** means Australian Western Standard Time.

**C\$ or CND\$** means Canadian dollars.

**Capital Reduction** has the meaning in Section 3.

**CAPL** means Canadian Association of Petroleum Landmen

**Company or Tamaska** means Tamaska Oil & Gas Limited ABN 66 127 735 442.

**Constitution** means the constitution of the Company.

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

**Demerger** has the meaning given in Section 3.1.

**Directors** mean the directors of the Company.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Land Section** refers to a Crown Land area leased by the Company from the British Columbia Government. The petroleum and natural gas grid in British Canada is defined by a set of universal transverse mercator map projection coordinates for the northeast corner of each quarter unit. Four Quarter units make up a Section and each section is approximately the area of one square mile (259 Hectares or 640 acres) in the vicinity of the town of Fort St John. The further north the section is located the larger the Section due to the projection system. In the North Montney region, Sections are approximately 278 Ha (687 acres) in area. The petroleum and natural gas grid quarter unit coordinates are based on the North American Datum of 1983 Canadian Spatial Reference System (NAD83 CSRS). Land is bid on is \$/Hectare but typically awarded in Sections (although quarter sections are also possible).

**Listing Rules** means the official listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Montney Asset** means the Assets described in Schedule 1

**Montney JV** has the meaning given in Section 1.1.

**Notice of Meeting or Notice** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

**Option** means an option to acquire a Share.

**Overseas Shareholder** means an Eligible Shareholder with a registered address outside of Australia on the Record Date.

**Project** means the Montney Assets.

**Prospectus** has the meaning given in Section 3.20.

**Proxy Form** means the proxy form attached to the Notice.

**Record Date** means the record date for the In Specie Distribution in the timetable in section 1.1 of the Explanatory Memorandum of the Notice of Meeting.

**Restructure Agreement** means the restructure agreement dated 10 August 2015 between, amongst others, the Company, TMK Montney, Warren and Transerv.

**Security** means a Share or Option.

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

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

**TMK Montney** means TMK Montney Ltd ACN 607 112 710.

**TMK Montney Option** means an option to acquire a TMK Montney Share.

**TMK Montney Shares** means a fully paid ordinary share in the capital of TMK Montney.

**Tamaska Option** means an Option exercisable at 1.6 cents on or before 31 March 2019.

**Transerv** means Transerv Energy Ltd ACN 079 432 796.

**Warren** means Warren Energy Limited (a company incorporated under the laws of Alberta).

**Warren Shares** means 100% of the fully paid ordinary shares in Warren.

**Woma** means Woma Energy Limited (a company incorporated under the laws of Alberta), a wholly owned subsidiary of Transerv.

## Security Holder Appointment of Proxy – General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

(Name of Proxy)

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10:00am (AWST) on September 15, 2015 at Level 7, 1008 Hay Street, Perth WA 6000 and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

### VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain
1 Authorise Disposal of Montney Asset	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Equal Reduction of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

### SIGNATURE OF SHAREHOLDER(S):

**Individual or Shareholder 1**

Sole Director / Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director / Company Secretary

## INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

### APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

**Note:** If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

### VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

### SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

### ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

### LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Hand Delivery** – Level 7, 1008 Hay Street, Perth WA 6000; or
- b) **Post** - to PO Box 7209, Cloisters Square WA 6850; or
- c) **Facsimile** - (08) 9389 2099 if faxed from within Australia or +61 8 9389 2099 if faxed from outside Australia.

**Proxy Forms received later than this time will be invalid**

# **TAMASKA OIL AND GAS LIMITED**

## **ACN 127 735 442**

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### **SHORT FORM PROSPECTUS**

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**For an offer to transfer 71,400,000 TMK Montney Shares to Shareholders of Tamaska Oil and Gas Limited pursuant to a Capital Reduction by way of In Specie Distribution contained in the Capital Reduction Resolution in the Notice of Meeting dated 14 August 2015 and to facilitate secondary trading of those shares.**

#### **IMPORTANT NOTICE**

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Company Directors consider an investment in the TMK Montney Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

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**TABLE OF CONTENTS**

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<b>1.</b>	<b>IMPORTANT NOTES .....</b>	<b>1</b>
<b>2.</b>	<b>THE OFFER .....</b>	<b>3</b>
<b>3.</b>	<b>INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS.....</b>	<b>5</b>
<b>4.</b>	<b>ADDITIONAL INFORMATION .....</b>	<b>8</b>
<b>5.</b>	<b>CONSENTS .....</b>	<b>11</b>
<b>6.</b>	<b>DIRECTORS' AUTHORISATION.....</b>	<b>11</b>
<b>7.</b>	<b>DEFINITIONS .....</b>	<b>12</b>

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# **1. Important Notes**

## **1.1 General**

This Prospectus is dated 14 August 2015 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No TMK Montney Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

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

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. The TMK Montney Shares the subject of this Prospectus should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. 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 Company Shareholders and professional advisers whom Company Shareholders may consult.

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

As TMK Montney is an unlisted public company, the TMK Montney Shares will not be listed on the ASX or any other securities exchange.

Defined terms and abbreviations used in this Prospectus are defined in Section 7.

## **1.2 Short Form Prospectus**

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with ASIC on 14 August 2015. This Prospectus is issued pursuant to section 710 of the Corporations Act.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of TMK Montney Shares under this Prospectus and contains information that will provide Company Shareholders and their professional advisers to assist them in making an informed assessment of:

- (i) the rights and liabilities attaching to the TMK Montney Shares; and
  - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of TMK Montney;
- (b) refers Company Shareholders and their professional advisers to this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Company Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Company Shareholders and their professional advisers or analysts.

### **1.3 Forward looking statements**

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined Schedule 7 of the Notice of Meeting, as well as other matters not yet known to the Company or not currently considered material to TMK Montney, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

### **1.4 Competent Persons Statement**

Mr Cockerill is a Geologist who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information in the form it is presented.

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## 2. The Offer

### 2.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

The Capital Reduction Resolution of the Notice of Meeting is as follows:

*“That, for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for the Company to reduce the share capital of the Company by the Company making a pro rata in specie distribution of the entire share capital of TMK Montney to Eligible Shareholders on the basis of 1 TMK Montney Share for every 10 Company Shares held at the Record Date on the terms and conditions set out in the Explanatory Memorandum”.*

Pursuant to the Capital Reduction Resolution, the Company is inviting Company Shareholders to vote on a reduction of capital by way of an In Specie Distribution of 71,400,000 TMK Montney Shares to Company Shareholders on a pro rata basis. This represents one TMK Montney Share for every 10 Company Shares held by Company Shareholders on the Record Date (rounded down to the nearest whole TMK Montney Share).

The In Specie Distribution will only proceed if:

- (a) the Capital Reduction Resolution is passed by Company Shareholders; and
- (b) the Company obtains rulings from the Australian Taxation Office as follows:
  - (i) a Class Ruling confirming that the Demerger does not create any Australian taxable event for Company Shareholders and Company Option holders and that the appropriate cost base split is recognised; and
  - (ii) a Private Binding Ruling confirming that there is no taxable event for the Company at the point of transfer of the TMK Montney Shares,

(together the **ATO Rulings**).

Based on ASIC Regulatory Guide 188, the invitation to vote on the Capital Reduction Resolution of the Notice of Meeting constitutes an offer to transfer the TMK Montney Shares for the purposes of Section 707(3) of the Corporations Act. Accordingly, the Company has prepared this Prospectus.

Distribution of TMK Montney Shares to any Company Shareholder with a registered address outside Australia (**Overseas Shareholder**) under the Capital Reduction Resolution will be subject to the legal and regulatory requirements in the relevant jurisdictions of those Company Shareholders. At the date of this Prospectus, the Company has only one Overseas Shareholder and will seek to resolve the jurisdictional implications with that Company Shareholder directly.

If the Company is unable to resolve the legal implications of the Demerger with the current Overseas Shareholder, or if the Company acquires new Overseas Shareholders prior to the Record Date, the TMK Montney Shares to which the relevant Overseas Shareholders would otherwise be entitled will be sold by the Company on behalf of those Company

Shareholders as soon as practicable after the Record Date. The Company will then account to the relevant Company Shareholders for the net proceeds of the sale after deducting the costs and expenses of the sale.

The Company notes that pursuant to the Demerger, the Company will also offer up to 18,000,000 TMK Montney Options to the Company Option holders (refer to Section 3.7) of the Notice of Meeting for further details). These TMK Montney Options are not being offered pursuant to this Prospectus as the offer of these TMK Montney Options can be made without disclosure to the Company Option holders under Chapter 6D of the Corporations Act.

## **2.2 Effect of the Offer on the Company**

The effect of the Offer on the Company will be:

- (a) the Company ceasing to own approximately 71,400,000 TMK Montney Shares (being the one TMK Montney Share that it currently holds and the approximately 71,399,999 TMK Montney Shares to be issued to it under the Restructure Agreement); and
- (b) the Company's share capital and total and net assets being reduced by approximately \$4.85million. This figure will vary slightly depending on the fair market value of the assets of Warren, being the amount of the loan between the Company and Warren capitalised at the date of the In Specie Distribution as contemplated in the Restructure Agreement (refer to Section 3.5 of the Notice of Meeting for further details); and
- (c) Company Shareholders that are registered on the Record Date will receive one TMK Montney Share for every 10 Company Shares held.

## **2.3 Effect of the Offer on TMK Montney**

The effect of the Offer on TMK Montney will be that the entire issued capital of TMK Montney (71,400,000 TMK Montney Shares) will no longer be held by a sole shareholder and instead will be held Company Shareholders that are registered on the Record Date of the Demerger.

## **2.4 Action required by Company Shareholders**

No action is required by Company Shareholders under this Prospectus.

Should Company Shareholder approval be obtained for the In Specie Distribution, the TMK Montney Shares will be transferred to Company Shareholders in accordance with the terms set out in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from the requirement in ASIC Class Order [CO 07/10] so that the application form is not required to be included in this Prospectus. If the Capital Reduction Resolution is passed, the Company will sign the share transfer forms for the transfer of the TMK Montney Shares to Shareholders on behalf of Company Shareholders. Company Shareholders will receive a holding statement for the TMK Montney Shares to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary on (08) 9389 2000.

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### **3. Information deemed to be incorporated in this Prospectus**

#### **3.1 Short Form Prospectus**

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with ASIC.

The Notice of Meeting contains all the information that Company Shareholders require in relation to the Demerger and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus.

The material provisions of the Notice of Meeting are summarised below in Section 3.2 of this Prospectus and will primarily be of interest to Company Shareholders and their professional advisers.

A copy of the Notice of Meeting has been sent to Company Shareholders with this Prospectus. However, Company Shareholders and their professional advisers may also obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

#### **3.2 Summary of material provisions of Notice of Meeting**

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules (respectively) in the Explanatory Memorandum to the Notice of Meeting:

(a) **Section 1.1 – Background to the Demerger**

This Section provides an overview of the Demerger including information on Warren and its interest in the Montney JV and other projects, which is to be acquired by TMK Montney from the Company under the Restructure Agreement.

(b) **Section 1.2 and Schedules 1, 2 and 3 – Proposed Assets of TMK Montney**

This Section and these Schedules gives a description of the Montney Project which is the key asset that TMK Montney is acquiring under the Restructure Agreement, including a technical summary of the Montney Project and a summary of the license commitments, JV Participation Agreement and Joint Operating Agreement. Schedule 3 gives an overview of Duvernay and Rock Creek Projects which are not considered to be of material value, but which TMK will also acquire under the Restructure Agreement.

(c) **Section 1.3 – Summary of the Restructure Agreement**

This Section provides a summary of the Restructure Agreement. The Company and TMK Montney have agreed that subject to, and immediately following, Company Shareholder approval of the resolutions in the Notice of Meeting and the ATO Rulings being obtained, the Company will capitalise the amount of the loan from the Company to Warren; TMK Montney will acquire all of the shares in Warren for the issue of 71,399,999 TMK Shares; the TMK Shares will be distributed directly to the Company Shareholders; and the Company will offer

TMK Options to the Company Option holders. Additionally, the Company will seek the ATO Rulings.

(d) **Section 1.4 – ATO Rulings**

This Section describes the ATO Rulings that the Company will seek. The Company obtaining the ATO Rulings is a condition of the Demerger occurring.

(e) **Section 1.5 – TMK Montney**

This Section provides information about TMK Montney. The company that the Company is proposing to distribute shares in.

(f) **Section 1.6 – Advantages and disadvantages of the Demerger**

This Section outlines the principal advantages and disadvantages to Company Shareholders of the Demerger.

(g) **Section 1.7 - Future of the Company following completion of the Demerger**

This Section clarifies the Company's anticipated future plans (assuming the Demerger is completed). The Company intends to raise additional working capital by undertaking a renounceable rights issue and will use the funds raised from the rights issue to seek new business opportunities.

(h) **Section 1.8 - Future of the Company if the Demerger is not approved**

This Section clarifies the Company's anticipated future plans (assuming the Demerger is not completed). The Company will retain its interest in Warren and will limit operational activity of the Montney JV and possibly seek to raise funds via a rights issue or disposal of parts of the Montney JV acreage or seek a further partner to the Montney Project.

(i) **Section 1.9 - Future of TMK Montney if the Demerger is approved**

This Section clarifies the TMK Montney's anticipated future plans (assuming the Demerger is completed). TMK Montney will complete the land acquisition of the Montney, incorporate nearby drilling results into ongoing geoscience studies whilst seeking a partner for the Montney Project and continue to monitor competitor drilling in nearby areas.

(j) **Section 1.10 – Company Directors' recommendation**

This Section includes a recommendation from the Company Directors that Company Shareholders vote in favour of the Demerger including the Capital Reduction Resolution. This Section also sets out the reasons why the Company Directors unanimously recommend that Company Shareholders vote in favour of the Demerger.

(k) **Section 3.1 – General (overview of the Demerger)**

This Section provides a brief overview of the Demerger including the expected number of TMK Montney Shares to be received by Company Shareholders for every Company Share held. Based on the current issued capital of the Company of 714,000,000 Shares, Company Shareholders will receive one TMK Montney Share

for every 10 Company Shares held on the Record Date (rounded down to the nearest whole TMK Montney Share).

(l) **Section 3.2 – Timetable**

This Section sets out the indicative timetable for the In Specie Distribution.

(m) **Section 3.3 – TMK Montney Shares not listed**

This Section includes a statement that the TMK Montney Shares will not be listed on the ASX or any other securities exchange.

(n) **Section 3.4 – Requirements under section 256B and section 256C of the Corporations Act**

This Section includes a statement that the Company Directors believe that the Capital Reduction is fair and reasonable to Company Shareholders and that the Capital Reduction will not prejudice the Company's ability to pay its creditors.

(o) **Section 3.5 – The effect of the proposed equal reduction of capital on the Company**

This Section states that if the Demerger is completed the share capital and net assets of the Company will be reduced by \$4.85 million. This figure will vary slightly depending on the fair market value of the assets of Warren, being the amount of the loan between the Company and Warren capitalised at the date of the In Specie Distribution as contemplated in the Restructure Agreement (refer to Section 1.3 of the Notice of Meeting for further details).

(p) **Section 3.6 – The effect of the proposed equal reduction of capital on Company Shareholders**

This Section outlines the effect of the proposed capital reduction on Company Shareholders which is that Company Shareholders registered on the Record Date will receive a pro rata distribution in specie of TMK Montney Shares.

(q) **Section 3.7 – The effect of the proposed equal reduction of capital on Company Option holders**

This Section outlines the effect of the proposed capital reduction on Company Option holders which is that in accordance with Listing Rule 7.22.3, the number of Company Options on issue following the Demerger will remain the same, but the exercise price of each Company Option will be reduced by the same amount as the amount returned in relation to each Company Share. This Section also includes a statement that in order to receive TMK Montney Shares pursuant to the Demerger, Company Option holders must exercise their Company Options and be registered on the Company's share register on the Record Date. In addition, this Section sets out details of TMK Montney Options that will be issued to existing Company Option holders on completion of the Demerger.

(r) **Sections 3.8 and 3.9 – Capital structures of the Company and TMK Montney**

This Section provides the capital structure of the Company and TMK Montney at the date of the notice of meeting and a pro forma capital structure of the Company and TMK Montney upon completion of the In Specie Distribution.

(s) **Section 3.10 – Overseas Company Shareholders**

This Section sets out the rights and restrictions of overseas Company Shareholders in relation to the Demerger and associated In Specie Distribution.

(t) **Section 3.11 – Board of TMK Montney**

This Section provides information about the TMK Montney Directors.

(u) **Section 3.12 – TMK Directors’ Interests**

This Section details the number of securities in the Company which the TMK Montney Directors have an interest in prior to the Demerger and the number of TMK Montney Shares and TMK Montney Options they are likely to receive if the Demerger is completed.

**Section 3.13 – Directors’ Remuneration**

This section sets out a table showing the remuneration provided to the Company Directors during the last two financial years prior to the date of the Notice of Meeting. This Section also sets out the remuneration received by the TMK Montney Directors since TMK Montney was incorporated on 16 July 2015.

(v) **Section 3.14 – Rights attaching to TMK Montney Shares**

This Section contains a summary of the more significant rights and liabilities attaching to TMK Montney Shares.

(w) **Section 3.15 – Risk factors**

This Section lists a number of specific and general risks that may have a material effect on the financial position and performance of TMK Montney and the value of its shares.

(x) **Section 3.16 – Taxation**

This Section outlines the potential Australian tax consequences relating to the Demerger to Company Shareholders.

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 for Company Shareholders.

(y) **Schedule 4 – Financial Information**

This Schedule includes a pro-forma balance sheet of the Company’s balance sheet as at 30 April 2015 as a result of the Demerger, which includes the In Specie Distribution, and TMK Montney’s unaudited consolidated balance sheet post Demerger (assuming the Demerger is completed).

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## **4. Additional Information**

### **4.1 Interests of TMK Montney Directors**

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting:

- (a) no TMK Montney Director holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
  - (i) the formation or promotion of TMK Montney;
  - (ii) property acquired or proposed to be acquired by TMK Montney in connection with its formation or promotion or the Offer; or
  - (iii) the Offer; and
- (b) except as set out in this Prospectus or the Notice of Meeting, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any TMK Montney Director either to induce him to become, or to qualify, as a TMK Montney Director or otherwise for services rendered by them in connection with the formation or promotion of TMK Montney or the Offer.

#### **4.2 Interests of Advisors**

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting, no promoter of TMK Montney or 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 has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of TMK Montney;
- (b) any property acquired or proposed to be acquired by TMK Montney in connection with its formation or promotion or 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 those persons for services rendered in connection with the formation or promotion of TMK Montney or the Offer.

GTP Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay GTP Legal approximately \$19,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal has received approximately \$30,822.00 excluding GST in fees from the Company.

### 4.3 Substantial TMK Montney Shareholders

As at the date of this Prospectus, the Company holds the one TMK Share on issue.

On completion of the In Specie Distribution the substantial TMK Montney Shareholders (being the TMK Montney Shareholders with a voting power in 5% or more of the TMK Shares on issue) will be as set out below:

Name of TMK Montney Shareholder	Number of TMK Montney Shares in which the TMK Montney Shareholder has a relevant interest	Percentage interest
Mr Craig Burton (consolidated)	19,700,000	27.6%
Hoperidge Enterprises Pty Ltd	8,200,000	11.5%
Havoc Partners LLP	8,000,000	11.2%
Mr Charles Morgan (consolidated)	7,140,000	10%

### 4.4 Litigation

To the knowledge of the Company Directors, as at the date of this Prospectus, TMK Montney is not involved in any legal proceedings, and the Company Directors are not aware of any legal proceedings pending or threatened against TMK Montney.

### 4.5 Dividend policy

The Company does not expect TMK Montney to declare any dividends in the near future as its focus will primarily be on using cash reserves for appraisal of the Montney Asset.

Any future determination as to the payment of dividends by TMK Montney will be at the discretion of the TMK Montney Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of TMK Montney, future capital requirements and general business and other factors considered relevant by the TMK Montney Directors. No assurances can be given by the Company Directors in relation to the payment of dividends by TMK Montney or that franking credits may attach to any dividends.

### 4.6 Forecast financial information

Given the nature of the TMK Montney business and the fact that it is the early stages of exploration of the Montney Asset, there are significant uncertainties associated with forecasting future revenues and expenses of TMK Montney. In light of uncertainty as to timing and outcome of TMK Montney's growth strategies and the general nature of the industry in which TMK Montney will operate, as well as uncertain macro market and economic conditions in TMK Montney's markets, TMK Montney's performance in any future period cannot be reliably estimated. On this basis and after considering Regulatory Guide 170, the Company Directors believe that reliable financial forecasts for TMK Montney cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

#### **4.7 Exposure period**

The Corporations Act prohibits the Company from transferring the TMK Montney Shares in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the transfer of the TMK Montney Shares. Given the General Meeting will be held on 15 September 2015 and the In Specie Distribution will occur some time after that date, the exposure period will be expired by the time the In Specie Distribution occurs.

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### **5. Consents**

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

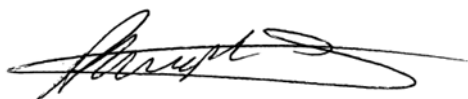
GTP Legal has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in relation to the Offer in the form and context in which it is named and to the incorporation by reference into this Prospectus of the Notice of Meeting in the form and context in which it is incorporated, and to all references to the Notice of Meeting in this Prospectus in the form and context in which they appear.

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### **6. Directors' authorisation**

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

In accordance with Section 720 of the Corporations Act, each Company Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Alexander Parks  
Managing Director

For and on behalf of Tamaska Oil and Gas Limited  
14 August 2015

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## 7. Definitions

**ASIC** means Australian Securities and Investments Commission.

**ASX** means Australian Stock Exchange Limited (ACN 008 624 691).

**ASX Listing Rules** means the official Listing Rules of the ASX.

**ATO Rulings** has the meaning given in Section 2.1(b).

**Board** means the board of Company Directors unless the context indicates otherwise.

**Capital Reduction** means the equal reduction of capital of the Company proposed to be satisfied by the In Specie Distribution and transfer to Eligible Company Shareholders (in proportion to their holdings of Company Shares) of TMK Montney Shares held by the Company.

**Capital Reduction Resolution** means Resolution 2 of the Notice of Meeting to be put to Company Shareholders at the General Meeting to approve the Capital Reduction.

**Company or Tamaska** means Tamaska Oil and Gas Limited (ACN 127 735 442).

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

**Company Option** means an option to acquire a Company Share.

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

**Company Shareholder** means a holder of Company Shares.

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

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

**Demerger** means the demerger of the Montney Assets as contemplated by the Capital Reduction Resolution and summarised in Section 3.1 of the Explanatory Memorandum.

**Eligible Shareholder** means a holder of Company Shares as at the Record Date.

**Explanatory Memorandum** means the explanatory statement accompanying and forming part of the Notice of Meeting.

**General Meeting** or **Meeting** means the meeting convened by the Notice of Meeting.

**In Specie Distribution** means, as part of the Transaction, the Capital Reduction by way of in specie distribution of TMK Montney Shares to Company Shareholders for which approval is being sought pursuant to the Capital Reduction Resolution of the Notice of Meeting.

**Notice of Meeting** means the Notice of General Meeting of the Company dated 14 August 2015 in which the Capital Reduction Resolution is to be considered.

**Offer** means the offer of TMK Montney Shares pursuant to the Notice of Meeting.

**Prospectus** means this short form prospectus prepared in accordance with Section 712 of the Corporations Act and dated 14 August 2015.

**Record Date** means date for determining Eligible Shareholders in respect of the Offer as specified in the timetable set out in Section 3.2 of the Notice of Meeting (unless extended).

**Restructure Agreement** means the restructure agreement dated 10 August 2015 between, amongst others, the Company, TMK Montney and Warren.

**Schedule** means a schedule of the Notice of Meeting

**Section** means a section of this Prospectus, the Notice of Meeting or the Corporations Act, as the context requires.

**TMK Montney** means TMK Montney Ltd (ACN 607 112 710).

**TMK Montney Constitution** means TMK Montney's constitution at the date of this Prospectus.

**TMK Montney Director** means a current director of TMK Montney.

**TMK Montney Option** means an option to acquire a TMK Montney Share.

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

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

**Warren** means Warren Energy Limited (a company incorporated under the law of Alberta).

**Warren Shares** means 100% of the fully paid ordinary shares in Warren.

**WST** means Western Standard Time, Perth, Western Australia.