

TTE PETROLEUM LTD
ACN 109 213 470

ENTITLEMENT ISSUE PROSPECTUS

This Prospectus contains offers of:

- (a) a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share to raise up to \$792,966.93 (based on the number of Shares on issue as at the date of this Prospectus) (Entitlement Offer); and
- (b) an offer of up to 300,000,000 Shares at an issue price of \$0.001 per Share to raise up to an additional \$300,000 (Placement Offer).

The Placement Offer is conditional on Shareholder approval, as described in Section 3.3.

Barclay Wells Ltd (AFSL 235070) (Underwriter) has agreed to partially underwrite the Entitlement Offer. Refer to Section 8.1 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

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

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

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1. CORPORATE DIRECTORY

Directors

Mr Darren Levy
Non-Executive Chairman

Mr Paul Garner
Managing Director

Mr Bradley Simmons
Non-Executive Director

Registered Office

Suite 3, 28 Outram Street
West Perth WA 6005

Telephone: + 61 8 9322 6955
Facsimile: +61 8 6267 8155

Website: www.ttepetroleum.com

Company Secretary & Chief Financial Officer

Mr Jack Toby

ASX Code

TTE

Share Registry*

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000

Telephone (Within Australia): 1300 787 272
Telephone (Overseas): +61 3 9415 4000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Greenwich & Co Audit Pty Ltd
Level 2, 35 Outram St,
West Perth WA 6005

Underwriter

Barclay Wells Ltd
1/22 Railway Road
Subiaco WA 6008

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

2. TIMETABLE

Event	Date
Lodgement of Prospectus with the ASIC	14 October 2016
Lodgement of Prospectus & Appendix 3B with ASX	14 October 2016
Notice sent to Shareholders	18 October 2016
Ex date	19 October 2016
Record Date for determining Entitlements	20 October 2016
Prospectus sent to Shareholders & Company announces despatch has been completed	25 October 2016
Placement Offer Opening Date	25 October 2016
Last day to extend the Entitlement Offer	31 October 2016
Entitlement Offer Closing Date ¹	4 November 2016
Shares quoted on a deferred settlement basis	7 November 2016
ASX notified of under subscriptions	9 November 2016
Issue date for Entitlement Offer/Shares entered into Shareholders' security holdings	11 November 2016
Annual General Meeting	11 November 2016
Quotation of Shares issued under the Entitlement Offer ¹	14 November 2016
Placement Offer Closing Date ²	15 November 2016
Issue date for Placement Offer Dispatch of holding statements	16 November 2016
Quotation of Shares issued under the Placement Offer ²	16 November 2016

Notes:

1. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.
2. These dates are indicative only and may change without notice. The Directors reserve the right to bring forward or extend the Closing Date of the Placement Offer at any time after the Opening Date of the Placement Offer without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date of the Placement Offer.

3. IMPORTANT NOTES

This Prospectus is dated 14 October 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the 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 the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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

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

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

3.1 Risk factors

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

3.2 Forward-looking statements

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

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

3.3 Conditional Placement Offer

The Placement Offer is conditional on Shareholders approving the issue of the Shares the subject of the Placement Offer **at the Company's upcoming annual general meeting to be held on 11 November 2016**. In the event that Shareholder approval is not obtained, the Placement Offer will not proceed and no Shares will be issued pursuant to the Placement Offer. If this occurs, Applicant under the Placement Offer will be refunded their application monies (without interest) and in accordance with the Corporations Act.

4. DETAILS OF THE OFFERS

4.1 The Offers

Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share. Fractional entitlements will be rounded down to the nearest whole number.

In addition, Shareholders are invited to subscribe for Shortfall Shares over and above their Entitlement under the Shortfall Offer. Refer to Section 4.10 for further details in relation to the Shortfall Offer.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Convertible Notes are converted prior to the Record Date) a maximum of approximately 792,966,934 Shares will be issued pursuant to this Entitlement Offer to raise up to \$792,966.93.

As at the date of this Prospectus the Company has no Options on issue.

As at the date of this Prospectus the Company has 1,996,666 Convertible Notes on issue all of which may be converted to Shares and Options prior to the Record Date in order to participate in the Entitlement Offer. Any Options issued pursuant to the conversion of Convertible Notes prior to the Record Date may also be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 5.4 for information on the Convertible Notes on issue.

Placement Offer

The Placement Offer is an offer for the subscription of up to 300,000,000 Shares at an issue price of \$0.001 per Share to raise up to \$300,000.

The Placement Offer is a separate offer made pursuant to this Prospectus. The issue price for each Share to be issued under the Placement Offer shall be \$0.001 being the price at which Shares have been offered under the Entitlement Offer.

The Shares will be issued under the Placement Offer to certain investors determined by the Directors but these persons will not be related parties of the Company.

Offers

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

The purpose of the Offers and the intended use of funds raised are set out in Section 5.1.

4.2 Minimum subscription

There is no minimum subscription for the Offers.

4.3 Acceptance – Entitlement Offer

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. You can also apply for additional Shortfall Shares under the Shortfall Offer in addition to your Entitlement by completing the Shortfall section contained in the Entitlement and Acceptance Form.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your full Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or pay BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.001 per Share) or pay BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (c) if you wish to accept your full Entitlement and apply for additional Shortfall Shares under the Shortfall Offer:
 - (i) complete the Entitlement and Acceptance Form including filling in the number of Shortfall Shares you wish to apply for in the Shortfall section on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.001 per Share) or pay via BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Applications – Placement Offer

Applications for Shares under the Placement Offer must be made using the attached Placement Application Form.

Payment for the Shares must be made in full at the issue price of \$0.001 per Share.

No investor will be issued any Shares under the Placement Offer if, as a result of such issue, their voting power in the Company would increase from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

4.5 Payment by cheque/bank draft/money order

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "TTE Petroleum Ltd" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.6 Payment by BPAY®

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

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

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.7 Underwriting

The Entitlement Offer is partially underwritten by the Underwriter to the Underwritten Amount of \$500,000. Refer to Section 8.1 for details of the terms of the underwriting.

The Underwriter has entered into sub-underwriting agreements for the full amount of the Underwritten Amount with Ohio Holdings Pty Ltd (Ohio Holdings), an entity controlled by Paul Garner and Marven Pty Ltd (Marven), an entity controlled by Darren Levy. Ohio Holdings and Marven are related parties of the Company. Ohio Holdings has agreed with the Underwriter to sub-underwrite, on arm's length fair market terms, up to 350,000,000 Shares, which totals a sub-underwriting commitment of \$350,000. Marven has agreed with the Underwriter to sub-underwrite, on arm's length fair market terms, 150,000,000 Shares, which totals a sub-underwriting commitment of \$150,000. Refer to Section 8.2 for details of the sub-underwriting arrangements.

The Company considered alternative options for raising capital and resolved that the Entitlement Offer on the terms detailed in this Prospectus was the most favourable option to the Company and its Shareholders given the Company's

strategic objectives and having regard to the circumstances existing at the date of this Prospectus.

The Placement Offer is not underwritten.

4.8 Effect on control of the Company

The Underwriter is not presently a shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act.

The Underwriter has covenanted that in lodging applications for any Shortfall Shares, it will ensure that, other than Ohio Holdings, no sub-underwriter will acquire or increase their holding in the Company above 19.9% as a result of sub-underwriting the Entitlement Offer.

Notwithstanding that the Underwritten Amount is fully sub-underwritten, the number of Shares that may be held by the Underwriter and its voting power under several scenarios are set out in the table below.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	0.00%
Completion of Entitlement Issue		
• Fully subscribed	Nil	0.00%
• 75% subscribed ¹	198,241,733	12.50%
• 50% subscribed ¹	396,483,467	25.00%
• 25% subscribed ¹	500,000,000	33.53%
• 0% subscribed ¹	500,000,000	38.67%

Note:

1. Assumes that neither of the sub-underwriters take up their sub-underwriting commitments.

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Entitlement Offer. However, it is unlikely that no Shareholders will take up Entitlements under the Entitlement Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements under the Entitlement Offer taken up by the Shareholders.

Further, the Underwriting Agreement gives the Underwriter the right to enter into sub-underwriting agreements to pass on some or all of its obligations to subscribe for the Shortfall under the Underwriting Agreement. The Underwriter has advised the Company that it has entered into sub-underwriting agreements with Ohio Holdings and Marven to take up the full amount of the Underwritten Amount. Accordingly, it is unlikely that the Underwriter will be obliged to subscribe for any of the Shortfall, as these obligations are likely to be passed on to the sub-underwriters.

The potential voting power of the sub-underwriters in the Company as a result of their respective sub-underwriting agreements is set out in the table below. The voting power post Entitlement Offer is calculated on the basis that each sub-underwriter takes up its Entitlement and subscribes for all of their sub-underwriting commitment pursuant to that party's sub-underwriting agreement.

Sub-Underwriter including associates	Current Holding	Current Voting Power	Entitlement Under the Offer	Sub-Underwritten Shares	Holding Post Offer	Voting Power Post Offer ¹
Ohio Holdings Pty Ltd ²	81,000,000	10.21%	81,000,000	350,000,000	512,000,000	36.43%
Marven Pty Ltd	31,609,817	3.99%	31,609,817	150,000,000	213,219,634	15.17%

Notes:

1. Assumes that no Shareholders, other than Ohio Holdings, Marven and their associates, take up their Entitlements and no securities are issued, other than under the Entitlement Offer.
2. Paul Garner and his associated entities hold 150,000 Convertible Notes. The above tables assume that no existing Convertible Notes are converted. Refer to Section 5.4 for information on the Convertible Notes on issue.

At the General Meeting, Shareholders approved the issue of Shares and Options to Paul Garner and Darren Levy (or their nominees) in lieu of accrued, but unpaid **Directors' fees owed to them**. The table below shows the maximum potential voting power of Paul Garner and Darren Levy in the following scenarios:

Scenario 1 assumptions:

- (a) Paul Garner and Darren Levy (or their respective nominee/s) are issued the maximum number of Shares and Options for which Shareholder approval was obtained at the General Meeting (as detailed in Section 9.4). These securities are intended to be issued after the Record Date;
- (b) only the entities controlled by Paul Garner and Darren Levy take up their Entitlements under the Entitlement Offer;
- (c) Ohio Holdings and Marven are allocated the maximum number of their sub-underwritten Shortfall Shares;
- (d) a total of 210,120,000 Shares are issued pursuant to the resolutions approved by Shareholders at the General Meeting;
- (e) a total of 500,000,000 Shares are issued pursuant to the Entitlement Offer (being the Underwritten Amount) and no Shares are issued pursuant to the Placement Offer; and
- (f) no Convertible Notes convert, no Options issued following Shareholder approval at the General Meeting are exercised and no other securities are issued.

Scenario 2 assumptions:

- (a) Paul Garner and Darren Levy (or their respective nominee/s) are issued the maximum number of Shares and Options for which Shareholder approval was obtained at the General Meeting (as detailed in Section 9.4). These securities are intended to be issued after the Record Date;
- (b) the entities controlled by Paul Garner and Darren Levy take up their Entitlements under the Entitlement Offer;
- (c) Ohio Holdings and Marven are allocated the maximum number of their sub-underwritten Shortfall Shares;
- (d) a total of 210,120,000 Shares are issued pursuant to the resolutions approved by Shareholders at the General Meeting;

- (e) a total of 1,092,966,934 Shares are issued pursuant to the Entitlement Offer and the Placement Offer (being full subscription under the Offers); and
- (f) no Convertible Notes convert, no Options issued at the General Meeting are exercised and no other securities are issued.

Director	Current Holding	Shareholding post-transactions	Voting Power – Scenario 1	Voting Power – Scenario 2
Paul Garner	81,000,000 ¹	542,000,000	33.55%	25.86%
Darren Levy	31,609,817 ²	228,219,634	14.13%	10.89%

In the event that the Underwriting Agreement is terminated and not all Shareholders accept their full Entitlement, the Shortfall will be dealt with in accordance with the procedure set out in Section 4.10.

4.9 Dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	2.52%	20,000,000	20,000,000	1.26%
Shareholder 2	10,000,000	1.26%	10,000,000	10,000,000	0.63%
Shareholder 3	3,000,000	0.38%	3,000,000	3,000,000	0.19%
Shareholder 4	800,000	0.10%	800,000	800,000	0.05%
Shareholder 5	100,000	0.01%	100,000	100,000	0.01%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. The table does not include the potential dilutionary effect of the issue of Shares for which Shareholder approval is being sought at the General Meeting or the Placement Offer. Shareholders should note that these events will have a further dilutionary effect for Shareholders.

4.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to the Prospectus and will remain open for up to three months following the Closing Date of the Entitlement Offer. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.001 being the price at which Shares have been offered under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by following the instructions set out in their Entitlement and Acceptance Form and in Section 4.3 above. Shortfall Shares will be allocated in priority to Eligible Shareholders who apply for Shortfall Shares under the Shortfall Offer. In the event of oversubscription from these applications they will be scaled back on a pro-rata basis.

Investors who are not Shareholders of the Company can apply for Shortfall Shares by completing the Shortfall Application Form accompanying the Prospectus in multiples that do not result in a fraction of a cent or alternatively the application monies must be rounded up to the nearest whole cent and payment for the Shares applied for must be made in full.

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

Other than to Ohio Holdings, no issue will be made under the Shortfall Offer if this would result in a person acquiring a relevant interest in more than 20% of the voting Shares immediately following that issue.

4.11 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

4.12 Issue of Shares

Shares issued pursuant to the Entitlement Offer and Placement Offer will be issued in accordance with the ASX Listing Rules and timetable set out in Section 2.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 2 and for Shares issued under the Placement Offer and Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

The Directors will determine the recipients of all the Shares under the Placement Offer. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Placement Offer Closing Date. Interest will not be paid on moneys refunded. The **Company's decision on the number of Shares to be allocated to an Applicant will be final.**

4.13 Overseas shareholders

The Entitlement Offer and the Placement Offer do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Australian Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.14 Enquiries

Any questions concerning the Offers should be directed to Jack Toby, Company Secretary, on +61 08 9322 6955.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers

The purpose of the Entitlement Offer is to raise up to \$792,966.93.

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

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Drilling Program Allen Dome (TTE 30% WI)	\$619,560	78.13%
2.	Working capital	\$110,907	13.99%
3.	Expenses of the Entitlement Offer ¹	\$62,500	7.88%
	Total	\$792,967	100%

Note:

1. Refer to Section 9.7 for further details relating to the estimated expenses of the Entitlement Offer.

In the event the Entitlement Offer is not fully subscribed, funds will first be applied towards Expenses of the Entitlement Offer, and then the Company intends to reduce the application of proceeds in proportion to the allocation of the items described above.

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

The purpose of the Placement Offer is to raise up to \$300,000.

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

Item	Proceeds of the Placement Offer	Full Subscription (\$)	%
1.	Working capital	\$141,000	47.00%
2.	Investigation and assessment of new investment opportunities	\$141,000	47.00%
3.	Expenses of the Placement Offer ¹	\$18,000	6.00%
	Total	\$300,000	100%

Note:

1. Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter (or its nominee) a fee of 6% of the total value of the Shares placed by the Underwriter under the Placement. The table above assumes that the Underwriter places all Shares under the Placement Offer.

In the event the Placement Offer is not fully subscribed, funds will first be applied towards Expenses of the Placement Offer, and then the Company intends to reduce the application of proceeds in proportion to the allocation of the items described above.

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

5.2 Effect of the Offers

The principal effect of the Entitlement Offer, assuming all Entitlements are accepted, no Convertible Notes are converted prior to the Record Date and no other securities are issued, will be to:

- (a) increase the cash reserves by \$730,467 (after deducting the estimated expenses of the Entitlement Offer) immediately after completion of the Entitlement Offer; and
- (b) increase the number of Shares on issue from 792,966,934 as at the date of this Prospectus to 1,585,933,868 Shares following completion of the Entitlement Offer.

The principal effect of the Placement Offer, assuming the Entitlement Offer is fully subscribed, the Placement Offer is fully subscribed, no Convertible Notes are converted and no other securities are issued, will be to:

- (a) increase the cash reserves by up to \$282,000 (after deducting the estimated expenses of the Placement Offer) immediately after completion of the Placement Offer; and
- (b) increase the number of Shares on issue from 1,585,933,868 to up to 1,885,933,868 Shares following completion of the Placement Offer.

5.3 Pro-forma statement of financial position

The unaudited statement of financial position as at 31 August 2016 and the unaudited pro-forma statement of financial position as at 31 August 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, the Placement Offer is fully subscribed, no Convertible Notes are converted prior to the Record Date and includes expenses of the Entitlement Offer and the Placement Offer.

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

	Unaudited 31 August 2016	Unaudited Pro-forma Entitlement Offer 31 August 2016 ¹	Unaudited Pro-forma Placement Offer 31 August 2016 ²
CURRENT ASSETS			
Cash	458,472	1,188,939	1,470,939
Other current assets	106,278	106,278	106,278
TOTAL CURRENT ASSETS	564,750	1,295,217	1,577,217
NON-CURRENT ASSETS			
Plant & Equipment	56,652	56,652	56,652
Receivables	29,948	29,948	29,948
Exploration	3,082,198	3,082,198	3,082,198
TOTAL NON-CURRENT ASSETS	3,168,798	3,168,798	3,168,798
TOTAL ASSETS	3,733,548	4,464,015	4,746,015
CURRENT LIABILITIES			
Creditors and borrowings	2,665,398	2,665,398	2,665,398
Provisions	1,758	1,758	1,758
TOTAL CURRENT LIABILITIES	2,667,156	2,667,156	2,667,156
TOTAL LIABILITIES	2,667,156	2,667,156	2,667,156
NET ASSETS	1,066,392	1,796,859	2,078,859
EQUITY			
Share capital	37,788,163	38,518,630	38,800,630
Reserves	(1,322,952)	(1,322,952)	(1,322,952)
Retained loss	(35,398,819)	(35,398,819)	(35,398,819)
TOTAL EQUITY	1,066,392	1,796,859	2,078,859

Notes:

1. The above Unaudited Pro-forma Entitlement Offer 31 August 2016 Statement of Financial Position is based on the Unaudited 31 August 2016 Statement of Financial Position, adjusted for the issue of 792,966,934 Shares at an issue price of \$0.001 each under the Entitlement Offer and expenses of the Offer of \$62,500.
2. The above Unaudited Pro-forma Placement Offer 31 August 2016 Statement of Financial Position is based on the Unaudited Pro-forma Entitlement Offer 31 August 2016 Statement of Financial Position, adjusted for the issue of 300,000,000 Shares at an issue price of \$0.001 each under the Placement Offer and the expenses of the Placement Offer. The expenses

of the Placement Offer comprise \$18,000 in fees payable to the Underwriter, which assumes that the Underwriter places all Shares under the Placement Offer.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted, the Placement Offer is fully subscribed, no Convertible Notes convert prior to the Record Date, and assuming Shareholders approve all resolutions at the General Meeting is set out below.

Shares ¹	Number
Shares currently on issue	792,966,934
Shares to be issued pursuant Shareholder approvals obtained at the General Meeting ²	210,120,000
Total Shares on issue following the issue of Shares approved at the General Meeting	1,003,086,934
Shares offered pursuant to the Entitlement Offer	792,966,934
Total Shares on issue after completion of the Entitlement Offer	1,796,053,868
Shares offered pursuant to the Placement Offer ³	300,000,000
Total Shares on issue after completion of the Placement Offer	2,096,053,868

Options	Number
Options currently on issue	Nil
Options to be issued pursuant to Shareholder approval obtained at the General Meeting ^{2,4}	164,140,302
Total Options on issue following the issue of Options approved at the General Meeting	164,140,302
Shares offered pursuant to the Entitlement Offer	Nil
Total Options on issue after completion of the Entitlement Offer	164,140,302
Options offered pursuant to the Placement Offer	Nil
Total Options on issue after completion of the Placement Offer	164,140,302

Convertible Notes	Number
Convertible Notes currently on issue ⁵	1,996,666
Total Convertible Notes on issue after completion of the Offers	1,996,666

Notes:

1. The rights attaching to the Shares are summarised in Section 6.
2. Shareholders approved the issue of these securities at the General Meeting. The securities will be issued after the Record Date but may be issued prior to the issue of the Shares under the Entitlement Offer. Refer to the Company's Notice of General Meeting dated 5 September 2016 for further details.
3. These Shares are subject to Shareholder approval at the Company's upcoming annual general meeting to be held on 11 November 2016.
4. Unquoted Options exercisable at \$0.005 each on or before 30 May 2020.
5. Comprising Convertible Notes with a face value of \$1.00 each and maturing on 31 October 2017. The Convertible Notes (together with any interest due and payable) are convertible into Shares at the lesser of \$0.03 or 80% of the 10 day VWAP per Share, together

with one (1) free attaching Option (exercisable at \$0.02 on or before 31 May 2020) for every two (2) Shares issued. The Convertible Notes carry interest at a rate of 9.75% per annum. Further details of the terms of Convertible Notes are contained in the Company's Notice of the General Meeting held on 24 June 2016.

The capital structure on a fully diluted basis as at the date of this Prospectus (assuming no Convertible Notes convert) would be 792,966,934 Shares and on completion of the Offers (assuming all Entitlements are accepted, the Placement Offer is fully subscribed, no Convertible Notes convert and all resolutions approved at the General Meeting are issued) would be 2,260,194,170 Shares.

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

5.5 Details of substantial holders

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

Shareholder	Shares	%
Paul Garner and Associates	81,000,000	10.21%

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

For further details in respect of Paul Garner and his associates' holdings please refer to Section 9.4

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

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

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

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 contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

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

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to **the Company's business**. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

The Company currently has 792,966,934 Shares on issue. On implementation of the Entitlement Offer, assuming all Entitlements are accepted and no Convertible Notes are converted prior to the Record Date, the Company will issue 792,966,934 Shares. In addition, the Company proposes to issue up to 300,000,000 Shares under the Placement Offer and, up to a further 210,120,000 Shares under the resolutions approved by Shareholders at the General Meeting. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last trading price of Shares on ASX prior to the Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.

(b) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

7.3 Industry specific

(a) Exploration and Development Risks

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Industry operating risks include fire, explosions, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) Oil and Gas Price Volatility

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

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

(c) Foreign Exchange Risk

The current operations of the Company are in Australia and the United States and the costs of some revenues from operations will be in United States dollars. As the Company's financial reports will be presented in Australian dollars, the Company will be exposed to the volatility and fluctuations of the exchange rate between the United States dollar and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

(d) Environmental Risk

The Company's activities are subject to the environmental risks inherent in the oil and gas industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the oil and gas industry, which operations are currently in Western Australia. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company's operational risks include environmental hazards such as accidental spills or leaks of petroleum liquids or gas, ruptures and the discharge of toxic gases. The occurrence of any such incident could result in substantial costs to the Company for environmental rehabilitation, damage control and losses.

(e) Competition

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a

better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce oil and gas, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

7.4 General risks

(a) Economic

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

(b) Market conditions

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(c) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify deposits, operational and technical difficulties encountered in drilling, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) Taxation

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

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

(f) Reliance on key personnel

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

7.5 Speculative investment

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

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. MATERIAL CONTRACTS

8.1 Underwriting Agreement

By an agreement between the Underwriter and the Company (Underwriting Agreement), the Underwriter has agreed to partially underwrite the Entitlement Offer for 500,000,000 Shares (Underwritten Shares).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter (or its nominee):

- (a) an underwriting fee of 6% of the total value of the Underwritten Shares; and
- (b) a fee of 6% of the total value of the Shares placed by the Underwriter under the Placement Offer.

The Company must also reimburse the Underwriter for costs incidental to the Offer.

Pursuant to the Underwriting Agreement, the Underwriter covenants that it will ensure that, other than Ohio Holdings, no sub-underwriter will acquire or increase their holding in the Company above 19.9% as a result of sub-underwriting the Entitlement Offer.

The obligation of the Underwriter to underwrite the Entitlement Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement at any time prior to the Entitlement Offer Closing Date if:

- (a) the Company is in breach of any provision of the Underwriting Agreement (whether or not the same is expressed to be a condition) and such failure is not remedied to the satisfaction of the Underwriter (acting reasonably) prior to the issue of the shortfall notice deadline date;
- (b) any of the representations, warranties or undertakings given on the **Company's part cease to be, or are found not to have been, true and correct** in all material respects;
- (c) there is a material misstatement or inaccuracy in, or omission from, the Prospectus, or any statement in the Prospectus (including, but not limited to, any representation with respect to any future matter) is or becomes misleading or deceptive in a material respect (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act);
- (d) there is a material adverse change in the financial position or prospects of the Company after the date of the Underwriting Agreement;
- (e) the Company withdraws the Prospectus;
- (f) an application is made by ASIC for an order under section 1324B of the Corporations Act in relation to the Prospectus the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (g) the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (ii) the rights and liabilities attaching to the Shares offered under the Entitlement Offer,

and, so far as non-compliance can be remedied by lodging a supplementary or replacement prospectus without (in the reasonable opinion of the Underwriter) having a Material Adverse Effect (as that term is defined in the Underwriting Agreement) on the Entitlement Offer, there is a refusal or omission to lodge a supplementary or replacement prospectus in relation to the Prospectus;

- (h) there is a refusal or omission to lodge a supplementary or replacement prospectus in relation to the Prospectus which, in the reasonable opinion of the Underwriter, is required to be lodged in accordance with Part 6D.2 of the Corporations Act;
- (i) any supplementary prospectus is lodged with ASIC in relation to the Prospectus which:
 - (i) in the reasonable opinion of the Underwriter may have a Material Adverse Effect (as that term is defined in the Underwriting Agreement) on the Entitlement Offer; and
 - (ii) is lodged without the prior written approval of the Underwriter;
- (j) any party (other than the Underwriter) who has previously consented withdraws its written consent to the inclusion of statements made by it in the Prospectus pursuant to section 716 of the Corporations Act;
- (k) a stop order or interim stop order or notice of intention to hold a hearing being issued by ASIC in relation to the Prospectus or any supplementary prospectus relating thereof, in accordance with section 739 of the Corporations Act;
- (l) a resolution is passed or an order made by a court of competent jurisdiction for the winding up of the Company;
- (m) a receiver or receiver and manager or administrator or other controller is appointed to all or any part of the assets or undertaking of the Company;
- (n) the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intention or endeavouring to do so;
- (o) the Company suspends payment of its debts or is unable to pay its debts within the meaning of section 95A of the Corporations Act;
- (p) ASIC commences or the Company or the Underwriter becomes aware of, the intention to commence an investigation under the *Australian Securities and Investments Commission Act 2001*(Cth) into all or any part of the Company;
- (q) a provisional liquidator is appointed to the Company;
- (r) ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy,

in connection with the Entitlement Offer or the Prospectus, or publicly foreshadows that it may do so;

- (s) the Company or an officer of the Company is charged with or convicted of an indictable offence;
- (t) if, without the prior consent of the Underwriter, which consent will not be unreasonably withheld, a material contract is terminated (whether by breach or otherwise), rescinded, altered or amended or any such contract is found to be void, voidable or unenforceable;
- (u) the Company alters or announces an intention to alter its capital structure or its Constitution in a manner not contemplated by the Prospectus without the prior consent of the Underwriter, which shall not be unreasonably withheld;
- (v) ASX refuses, does not grant, on terms acceptable to the Underwriter acting reasonably, or withdraws approval for the granting of official quotation for the Shares comprising the Entitlement Offer or ASX makes a statement to that effect to the Company, the Underwriter or any other persons;
- (w) ASX withdraws approval for the Company to be admitted to the Official List or ASX makes a statement to that effect to the Company, the Underwriter or any other person; or
- (x) any of the S&P/ASX200 Index, or the S&P/ASX 300 Energy Index as published by ASX is, at any time after the date of the Underwriting Agreement, 15% or more below its respective level at the close of business on the business day prior to the date of the Underwriting Agreement.

The Underwriter may terminate the Underwriting Agreement under termination events (a), (b), (c), (d), (i), (t) or (u) only if, in the reasonable opinion of the Underwriter, the relevant event has a Material Adverse Effect (as that term is defined in the Underwriting Agreement) on the Entitlement Offer, by written notice to the Company without any cost or liability to itself and without prejudice to any of its accrued rights under the Underwriting Agreement.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.2 Sub-Underwriting Agreements

The Underwriter has entered into sub-underwriting agreements pursuant to which it has appointed Ohio Holdings and Marven to sub-underwrite the Underwritten Shares on the following terms:

- (a) Ohio Holdings has agreed to sub-underwrite up to \$350,000 (350,000,000 Shares);
- (b) Marven has agreed to sub-underwrite up to \$150,000 (150,000,000 Shares);
- (c) Ohio Holdings and Marven will each receive a sub-underwriting fee of 4% (exclusive of GST) of the amount sub-underwritten by them; and

- (d) Ohio Holdings' and Marvin's sub-underwriting commitment under their respective sub-underwriting agreements terminate immediately in the event that the Underwriter terminates its obligations under the Underwriting Agreement (for whatever reason).

9. ADDITIONAL INFORMATION

9.1 Litigation

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

9.2 Continuous disclosure obligations

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

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

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

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

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

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

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

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

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

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

Date	Description of Announcement
13 October 2016	TTE Proposed Rights Issue
13 October 2016	TTE Notice of AGM 11-Nov-16
13 October 2016	TTE Joint Venture Update
12 October 2016	TTE Farmout of Blue Ridge Salt Dome
7 October 2016	TTE Meeting Results
23 September 2016	TTE Cancellation of Securities
22 September 2016	TTE ASX Appendix 4G
22 September 2016	TTE 2016 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <http://ttepetroleum.com/>.

9.3 Market price of shares

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

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

	\$	Date
Highest	\$0.006	14 and 19 July 2016
Lowest	\$0.002	2 September 2016 8 September 2016 to 13 October 2016
Last	\$0.002	13 October 2016

9.4 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Convertible Notes ¹	Entitlement	\$
Paul Garner	81,000,000 ²	150,000	81,000,000	\$81,000
Darren Levy	31,609,817 ³	Nil	31,609,817	\$31,610
Bradley Simmons	25,000,000 ⁴	Nil	25,000,000	\$25,000

Notes:

1. Convertible Notes with a face value of \$1.00 each and maturing on 31 October 2017.
2. Comprising:
 - (a) 26,000,000 Shares held indirectly via Ohio Enterprise Pty Ltd <Ohio Super Fund A.C.>, of which Mr Garner is a director and shareholder of the trustee company and a beneficiary of the trust;
 - (b) 29,000,000 Shares held indirectly via Ohio Holdings Pty Ltd, of which Mr Garner is a director and shareholder;
 - (c) 1,000,000 Shares held indirectly via Scarlet Investments (WA) Pty Ltd, of which Mr Garner's spouse is a director and shareholder;
 - (d) 12,500,000 Shares held indirectly by Mrs Ravikan Garner, Mr Garner's spouse; and
 - (e) 12,500,000 Shares held directly by Mr Garner.

3. Comprising:
 - (a) 25,209,817 Shares held indirectly via Marven Pty Ltd, of which Mr Levy is a director and shareholder; and
 - (b) 6,400,000 Shares held indirectly via Marven Pty Ltd <Staff Super Fund No 1 A/C>, of which Mr Levy is a director and shareholder and a beneficiary of the trust.
4. Comprising:
 - (a) 15,000,000 Shares held indirectly via Amanterra Ltd of which Mr Simmons is a director and shareholder; and
 - (b) 10,000,000 Shares held directly by Mr Simmons.
5. In addition, the Company has obtained Shareholder approval at the General Meeting for the issue of the following securities to Directors in lieu of outstanding Directors' fees:
 - (a) 30,000,000 Shares and 10,000,000 Options to Paul Garner (or his nominee); and
 - (b) 15,000,000 Shares and 5,000,000 Options to Darren Levy (or his nominee).

These securities will be issued after the Record Date. Accordingly, they will not increase the Entitlements of Mr Garner and Mr Levy under the Entitlement Offer.

The Board recommends all Shareholders take up their Entitlement. Mr Bradley Simmons is an Ineligible Shareholder and accordingly is not eligible to participate in the Entitlement Offer. All other Directors have indicated that they intend to take up their respective Entitlements. No Director or any of their associates intend to participate in the Placement Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY 2017	FY 2016	FY 2015
Paul Garner	\$177,000	\$364,978 ²	\$509,960 ¹
Darren Levy	\$75,000	\$150,000 ²	\$175,000 ²
Bradley Simmons	\$86,170	\$854,088 ²	\$1,133,942 ³

Notes:

1. Comprising salary/fees of \$299,960 and equity based remuneration of \$210,000.
2. Comprising salary/fees only.
3. Comprising salary/fees of \$703,963 and equity based remuneration of \$429,979.

9.5 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

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

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in respect of this Prospectus. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$25,161 (excluding GST and disbursements) for legal services provided to the Company.

Barclay Wells Ltd has acted as the Underwriter to the Entitlement Offer. The Company estimates that it will pay Barclay Wells Ltd the fees set out in Sections 8.1(a) and 8.1(b) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Barclay Wells Ltd has not received any other fees for services to the Company.

9.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus

with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Barclay Wells Ltd has given its written consent to being named as Underwriter to the Entitlement Offer in this Prospectus, in the form and context in which it is named. Barclay Wells Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities. Barclay Wells Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.7 Expenses of the Entitlement Offer

In the event that all Entitlements are accepted, the total expenses of the Entitlement Offer are estimated to be approximately \$62,500 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,350
ASX fees	4,592
Underwriting fees ¹	30,000
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	5,558
Total	62,500

Notes:

1. The Company has engaged the Underwriter to assist in the placement and issue of Shortfall Shares and will pay the Underwriter (or its nominee) an underwriting fee of 6% of the total value of the Underwritten Shares.

9.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application

Forms. If you have not, please phone the Company on +61 8 9322 6955 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://ttepetroleum.com>.

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

9.9 Financial forecasts

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

9.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

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

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

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

9.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. **DIRECTORS' AUTHORISATION**

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

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

Mr Paul Garner
Managing Director
For and on behalf of
TTE Petroleum Ltd

11. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Entitlement Offer, a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer or an applicant or other party who applies for Shares pursuant to the Placement Offer.

Application Form means an Entitlement and Acceptance Form, Shortfall Application Form or Placement Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

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

Business Day means **Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.**

Closing Date means the date specified in the timetable set out in Section 2 (unless extended).

Company means TTE Petroleum Ltd (ACN 109 213 470).

Convertible Notes means 1,966,666 convertible notes with a face value of \$1.00 each and maturing on 31 October 2017.

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

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

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

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement issue the subject of this Prospectus.

General Meeting means the general meeting of the Company held on 7 October 2016.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Offers means the Entitlement Offer and the Placement Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement Application Form means the placement application form either attached to or accompanying this Prospectus.

Placement Offer means the offer of up to 300,000,000 Shares at an issue price of \$0.001 per Share to raise up to \$300,000 under this Prospectus.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out in Section 2.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

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

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.10.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Underwriter means Barclay Wells Ltd (ABN 88 009 352 836; AFSL 235070).

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