

# Prospectus

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Oil Basins Limited ACN 006 024 764 (**Company**)

A renounceable rights issue to Eligible Shareholders of 9 New Shares for every 5 Shares held at an issue price of \$0.003 per New Share to raise approximately \$1,554,154.19 with 1 attaching New Option for every 1 New Share allotted. Each New Option is exercisable at \$0.005 per share and expires on 31 March 2020.

**Offer closes at 5:00pm AEDST on 20 October 2017**

## **IMPORTANT NOTICE**

**This document is important and it should be read in its entirety.**

**The lead manager and underwriter of the Offer is Patersons Securities Limited**

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (AEDST) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

## Important information

### Offer statistics

Number of New Shares to be issued: ..... 518,051,398\*

Number of New Options to be issued..... 518,051,398\*

Issue Price: ..... \$0.003

\*Excludes any New Shares and New Options which may be issued in the event that any Existing Options are exercised prior to the Record Date.

### Key dates for investors

Record Date for determining entitlements under the Issue: .....3 October 2017

Offer opens: .....6 October 2017

Offer expected to close: .....20 October 2017

Expected date for despatch of New Security holding statements: .....27 October 2017

Commencement of trading of New Securities on ASX: ..... expected 30 October 2017

Further details regarding the timetable for the Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

### Important notice

This Prospectus is dated 27 September 2017 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

Within 7 days after the date of this Prospectus, the Company will apply to ASX for the New Shares and New Options issued under this Prospectus to be quoted on ASX.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus. ASIC and ASX make no statement regarding the merits of the investment to which this Prospectus relates.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*.

No person is authorised to give any information or to make any representation in connection with the Issue described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue. Except as required by law and only to the extent required, neither the Company nor any other person warrants the future performance of the Company or the return on any investment made under this Prospectus.

The information contained in this Prospectus is important and Shareholders should read it in full. Investing in the New Shares and New Options involves risks. In particular, it is important that you consider the Risk Factors (see Section 6) that could affect the Company before deciding what course

you should follow. Before deciding whether to participate in the Issue, Shareholders should read and understand the whole of the Prospectus. This Prospectus does not take into account the investment objectives, financial situation or particular needs of any Shareholder or any other person. Shareholders should not rely on this Prospectus as the sole basis for making an investment decision regarding the New Shares and New Options.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should seek professional advice before deciding to invest. An investment in New Shares and New Options that are offered under this Prospectus should be considered speculative.

### **Foreign shareholders**

This document does not constitute an offer of New Securities in any jurisdiction in which it would be unlawful. New Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Prospectus to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Securities will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.11 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia or New Zealand.

However, the Company has appointed Patersons Securities Limited to act as nominee (**Nominee**) for the purposes of ASX Listing Rule 7.7. Accordingly, the Company must issue to the Nominee those rights that would otherwise have been issued to Ineligible Shareholders as at the Record Date and the Nominee will attend to the sale of those New Securities on behalf of the Ineligible Shareholders. Refer to section 2.13 for details.

### **New Zealand**

The New Securities 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 *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## Warning Statement for New Zealand Shareholders

New Zealand investors should also consider the taxation and currency risks associated with investing in the New Shares or exercising New Options.

### United States

This document may not be released or distributed in the United States. This document 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, registration under the US Securities Act and applicable US state securities laws.

### How to accept Entitlement to New Securities

Entitlements to New Securities can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

The Offer is renounceable, therefore you are able to trade on the ASX or otherwise transfer all or part of your Entitlements during the specified rights trading period.

This Prospectus is available in electronic form on the internet at <http://www.oilbasins.com.au>. If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 (03) 9692 7222.

### Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, or apply for additional securities please call the Share Registry on:

- 1300 288 664 for callers within Australia; or
- +61 2 9698 5414 for overseas callers.

### Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of OBL, the repayment of capital or the payment of a return on the New Securities.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.6 of this Prospectus and set out in more detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: [www.oilbasins.com.au](http://www.oilbasins.com.au) or at [www.asx.com.au](http://www.asx.com.au).

### Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

## **Forward looking statements**

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

## **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

## **Competent person statement**

The information contained in this Prospectus that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Hadi Nourollah a competent person who is a Member of the Society of Exploration Geophysicists (SEG).

Mr Nourollah holds the qualification MSc (Petroleum Geoscience) from Imperial College London; has over 14 years of experience as a geophysicist and is an active Member of Society of Exploration Geophysicists (SEG). 3D-GEO's approach has been to reprocess the seismic volumes and re-interpret the new seismic volume using both standard interpretation modelling techniques and quantitative inversion. 3D-GEO then independently estimate ranges of in-place volumes.

Hadi Nourollah has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration in this Prospectus, and the activity being undertaken to qualify as a Competent Person. Hadi Nourollah consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

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## Director's letter

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27 September 2017

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Securities in Oil Basins Limited (**Offer**).

As announced on 25 September 2017 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares together with attaching New Options under the Offer. The Offer is a renounceable rights issue of 9 New Shares for every 5 Shares held at the Record Date at an issue price of \$0.003 per New Share, to raise approximately \$1,554,154.19 (before Offer costs). For every 1 New Share issued the applicant will also receive 1 attaching New Option exercisable at \$0.005 per Share and expiring on 31 March 2020.

It is proposed that the funds raised from the Offer will be applied for the purposes of increasing working capital to enable OBL to finalise the legacy issues relating to the previous board and management pending the renewal of petroleum permit VIC/P47 lodged in August 2017, to undertake exploration and development activities in relation to the Company's assets, meeting the costs of the Offer and to provide working capital.

The Directors, who collectively hold circa 16% of the Company, intend to take up their entitlement to New Securities.

A personalised Entitlement and Acceptance Form accompanies this Prospectus and sets out the number of New Shares and attaching New Options you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Securities can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Eligible Shareholders who have applied for their Entitlement in full may also apply for additional New Securities under the Shortfall Offer as set out in Section 3.9. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date.

Entitlements under the Offer are renounceable and may be traded on the ASX during the specified rights trading period. If you do not wish to take up your Entitlements under the Offer, you should consider whether to sell all or part of your Entitlement during the rights trading period. Please refer to the timetable for the important dates of the Offer.

Patersons Securities Limited is the Lead Manager and has fully underwritten the Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Carl Dumbrell  
Oil Basins Limited

## 1. Investment summary

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The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus and with the Announcements made by the Company on ASX.

### 1.1 The Offer

This Prospectus is for the renounceable rights issue of approximately 518,051,398 New Shares at an issue price of \$0.003 per New Share, on the basis of 9 New Shares for every 5 Shares held by Eligible Shareholders as at the Record Date with the issue of 1 attaching New Option for every 1 New Share allotted. Each New Option is exercisable at \$0.005 per share and expires on 31 March 2020.

The Offer is an offer to Eligible Shareholders only.

The Offer is underwritten by Patersons Securities Limited.

The Issue Price of \$0.003 per New Share represents a 40% discount to the latest traded price on ASX for Shares (being \$0.005 on 26 September 2017, the last day prior to lodgement of this Prospectus).

On the same date as announcing the Offer, the Company applied to the ASX for the New Securities to be granted Official Quotation on the ASX. Official Quotation of the New Securities is expected to occur on or about 30 October 2017.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Securities made under this Prospectus, in which case the Company will return all application moneys (without interest) within 28 days of giving notice of such withdrawal.

### 1.2 Minimum subscription

There is no minimum subscription to the Issue.

### 1.3 Renounceable Offer and Entitlements trading

The Offer is renounceable.

If you do not wish to take up all or part of your Entitlement, you may be able to sell all or part of your Entitlements on the ASX or directly to another person in accordance with sections 2.6, 3.5 and 3.6 of this Prospectus.

Entitlements trading on the ASX will commence on 2 October 2017 and end on 13 October 2017.

If you only sell part of your Entitlement, you may elect to take up this Offer with respect to the remainder of your Entitlement or allow those Entitlements to lapse. Any Entitlements not taken up by the Closing Date will lapse in which case the Shortfall will be dealt with in accordance with sections 1.12 and 2.3.

### 1.4 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of:

- (a) increasing working capital to enable OBL to further develop its assets including petroleum permit VIC/P47;



- (b) the costs of the Offer; and
- (c) working capital.

The proceeds from the Offer (on full subscription) is proposed to be allocated in the following manner:

<b>Proposed use of funds</b>	
<b>VIC P/47</b>	
– geology studies including detailed resources assessment, preliminary reservoir engineering, target selection and well planning	\$400,000
- confirmation of drilling targets	\$250,000
<b>Cyrano</b>	
– review of engineering technologies	\$100,000
- reservoir engineering studies	\$100,000
<b>Environmental</b> (inclusive of Backreef well plug)	\$75,000
<b>Working Capital</b>	\$429,385.19
<b>Costs of the Offer</b>	
– corporate advisory, accounting and legal costs	\$90,000
- underwriting and sub underwriting fees	\$93,249
- printing and office expenses	\$7,000
- ASIC lodgement	\$2,400
- ASX Listing fee	\$7,120
<b>Total</b>	<b>\$1,554,154.19</b>

*\*As noted in the 2017 Annual Report and stated in Section 6 of this Prospectus the Company will need to raise further capital to fully develop its projects.*

**However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed use of funds raised to maximise the benefit to Shareholders.**

## 1.5 Strategy

The Company has spent the best part of the past year working through the legacy issues from the previous board and management with most of the legal matters now settled or agreement reached to settle. The only current outstanding matter is the final resolution of amounts to be paid to Kim McGrath.

Non-core assets have been sold leaving the Company with interests in three core assets being Vic/P47, R1/R3 Cyrano and Backreef. The Company has lodged the application to renew Vic/P47 for five years with NOPTA and anticipates that the renewal will issue in due course.

With industry dynamics exhibiting energy shortages on the east coast of Australia and the positive 3-D seismic reprocessing and interpretation in August 2017, the Board believes that the opportunity to advance development of Vic/P47 has opened and the Company intends to prosecute this and other opportunities upon renewal of the permit.

## 1.6 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Securities, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Title Risk – VIC P47	<p>The renewal application for the permit was lodged with the National Offshore Petroleum Titles Administrator (<b>NOPTA</b>) on 14 August 2017. A request for additional information from NOPTA was sent to the Company on 28 August 2017 and the Company responded to this request on 7 September 2017. As at the date of this Prospectus there have been no further requests from NOPTA and the Company has no reason to believe that the renewal will not be granted.</p> <p>Renewal of the term of any permit is subject to the applicable legislation, including permit conditions. While the Company and the Directors hold the view that the permit will be renewed there can be no guarantee of renewal until formal advice is received from the NOPTA. If the permit is not renewed for any reason, the Company may lose the opportunity to develop and discover any petroleum resources on the permit which may in turn affect the operations and value of the Company. The Company will disclose any material events in relation to the permit on the ASX.</p>
Litigation Risk	<p>As disclosed on the ASX the Company has been in dispute with a former director and as at the date of this Prospectus the dispute is unresolved.</p> <p>As previously disclosed OBL received a Statement of Claim from OBL's former Executive Chairman Kim Warren McGrath, lodged with the Federal Circuit Court of Australia in the Fair Work Division dated 1 May 2017 for \$551,632.19 for unpaid salary, Director's fees, superannuation and expenses (<b>McGrath Proceeding</b>).</p> <p>A defence to the McGrath Proceeding has been lodged.</p> <p>OBL paid a portion of the amount claimed to Mr McGrath, being the sum of \$199,850 less superannuation and tax payable on 19 September 2017. The majority of the balance of the amount claimed by Mr McGrath (\$351,782.19) is disputed. The McGrath Proceeding has been listed for trial commencing on 20 June 2018.</p> <p>Given the recent history of the Company there is a risk that former directors or employees may take action against the Company or may commence litigation.</p> <p>The Directors have taken all reasonable steps to ensure that there are no further claims upon the Company by former directors however there can be no guarantee that no further claims will eventuate. In the event that a further claim is made or proceedings are commenced then the</p>

Risk	Details
	Company will likely incur further costs and the value of the Company will be affected.
Short Term Capital	Without the capital raising under the Offer, the Company's current cash resources will not be sufficient to repay existing creditors nor fund its expenditure obligations in relation to its projects in the near term. Should the Company be unable to raise capital under the Offer, there is a material uncertainty as to whether the Company will be able to continue as a going concern.
Further Financing Requirements	<p>The Company's success may depend on the Company's ability to raise further capital. The Company will require further funds to conduct petroleum exploration and development activities on the Company's assets. There is no assurance whatsoever that funds will be available from any source or, if available, that they can be obtained on terms acceptable to the Company.</p> <p>The Company may also consider entering into joint ventures or farming out some its interest in its projects. If this eventuates then the interests of the Company in its projects may be diluted and the valuation of the Company may be affected accordingly.</p>
Dilution	<p>Upon completion of the Offer the Shares on issue will increase by 518,051,398 which means that each Share will represent a lower proportion of the ownership of the Company. The Directors are not able to predict what the value of the Company or a Share may be following completion of the Offer and as such make no representation as to these matters.</p> <p>The Directors are of the view that the current trading price of the Shares of the Company is not a reliable indicator of the price of Shares following the Offer.</p>
Commodity Prices	The prices of oil and gas are outside the control of the Company and fluctuate; the prices impact the availability and costs of opportunities for the Company, and any future revenue and profitability from the sale of oil and gas.
Exploration and Development	Oil and gas exploration is a speculative investment and involves a high degree of risk. There is no guarantee that exploration and development of any of the assets of the Company will be able to be profitably exploited.
Environmental	The Company is subject to laws and regulations to minimise the environmental impact of any operations as well as rehabilitation of any areas affected by any operation carried out on the areas leased by the Company. These laws can be costly to operate under and can change further adversely affecting the Company. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive.
Commercialisation and access to infrastructure	The Company's future performance will be impacted by its ability to source and access equipment and services and product transportation routes and processing facilities. The ability of the Company to access infrastructure economically or at all is largely out of control of the Company and therefore may have an adverse impact on future performance

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

#### 1.7 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

#### 1.8 **New Option terms**

The New Options will constitute a new class of security. Subject to complying with the Listing Rules the New Options will trade under ASX code OBLOC.

A summary of the rights attaching to the New Options is set out in section 7.4.

#### 1.9 **Acceptance of Entitlement to New Securities**

The number of New Securities to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Securities is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Securities. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Securities can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

#### 1.10 **Directors intentions in respect of Entitlements**

As at the date of this Prospectus, some of the Directors of OBL have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

<b>Director</b>	<b>Shares</b>	<b>New Share Entitlement</b>	<b>New Option Entitlement</b>	<b>Intentions</b>
Carl Dumbrell	14,080,435	25,344,783	25,344,783	25,344,783
Vaz Hovanesian	26,087,954	46,958,318	46,958,318	46,958,318
Justyn Peters	5,962,954	10,733,318	10,733,318	10,733,318

*Note:*

*Details of Options held by the Directors are set out in section 7.6.*

*Each of the Directors has indicated their intention to subscribe for their entitlements as indicated above. Please refer to section 2.9 for details of Director sub-underwriting.*

#### 1.11 **Underwriter**

Patersons Securities Limited has been appointed as lead manager and underwriter to the Offer. Further details of the terms of appointment are set out in section 7.11.

### 1.12 Shortfall and dilution of Shareholder's interests

The Offer is fully underwritten. Any Entitlements not subscribed for by Eligible Shareholders will comprise the shortfall and will be dealt with in accordance with the Underwriting Agreement.

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and the allocation of the Shortfall will be placed in accordance with the Underwriting agreement, to parties as nominated by the Underwriter in consultation with the Company in which case their interest in the Company may be significantly diluted. Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company will be diluted by up to 64% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

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## 2. Details of the Offer

### 2.1 Offer to Eligible Shareholders

The Directors of OBL have approved a renounceable rights issue of approximately 518,051,398 New Shares at an issue price of \$0.003 per New Share to raise approximately \$1,554,154.19. Eligible Shareholders of OBL are entitled to subscribe for 9 New Shares for every 5 Shares held with 1 attaching New Option for every New Share allotted. Only those Shareholders shown on the Share Register at 7.00pm (AEDST) on the Record Date with a registered address in Australia and New Zealand will be entitled to participate in the Offer.

There are currently 6,700,000 Existing Options on issue in the Company which are presently out of the money. If any of the Existing Options are exercised prior to the Record Date, additional New Securities will be offered under this Prospectus.

OBL has applied to the ASX for the New Securities to be granted Official Quotation on the ASX. Official quotation of the New Securities is expected to occur on or about 30 October 2017. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Securities either as principal or agent until official quotation is granted.

### 2.2 Important dates

<b>Announcement of Issue</b>	25 September 2017
<b>Lodgement of Prospectus with ASIC</b>	27 September 2017
<b>Notice to security holders containing Appendix 3B information</b>	28 September 2017
<b>Shares commence trading on an ex rights basis</b>	2 October 2017
<b>Record Date for the Offer</b>	3 October 2017
<b>Prospectus and Entitlement and Acceptance Form despatched to Shareholders</b>	6 October 2017
<b>Opening Date of Offer</b>	6 October 2017
<b>Rights trading under the Offer ends</b>	13 October 2017
<b>Closing Date of Offer</b>	20 October 2017
<b>Advise ASX of any shortfall</b>	25 October 2017
<b>Expected date of issue of New Securities</b>	27 October 2017
<b>Expected date of despatch of holding statements for New Securities</b>	27 October 2017
<b>Normal Trading of New Securities Expected to Commence</b>	30 October 2017

*The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Underwriter, reserves the right to alter this timetable at any time.*

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

### 2.3 Allotment and allocation policy

The Company will proceed to allocate New Securities as soon as practicable after the Closing Date and receiving ASX permission for official quotation of the New Securities.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors in consultation with the Underwriter, reserve the right, as contemplated within the ASX Listing Rules to issue any Shortfall at their discretion (see section 3.8 and 3.9). Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.

Successful Applicants will be notified in writing of the number of New Securities allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Securities allocated to them prior to trading in New Securities. Applicants who sell New Securities before they receive notice of the number of New Securities allocated to them do so at their own risk. No New Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

### 2.4 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Securities to be issued pursuant to this Prospectus to be listed for official quotation by the ASX. If granted, quotation of the New Securities will commence as soon as practicable after allotment of the New Securities to Applicants. It is the responsibility of the Applicants to determine their allocation of New Securities prior to trading.

Should the New Securities not be granted official quotation on the ASX within three months after the date of this Prospectus, none of the New Securities offered under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

### 2.5 CHES

The Company will apply to ASX Settlement for the New Securities to participate in the Securities Clearing House Electronic Subregister System known as CHES.

The Company will not issue certificates to Shareholders with respect to the New Securities. After allotment of the New Securities, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHES holders will receive an allotment advice.

The CHES statements, which are similar in style to bank account statements, will set out the number of New Securities allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

### 2.6 Renounceable Offer

The Offer is renounceable.

Accordingly, there will be trading of Entitlements in respect of the Offer on ASX during the rights trading period between 2 October 2017 and 13 October 2017 meaning that Shareholders may choose to sell or transfer all or any part of their Entitlements instead of paying the subscription price for the New Shares. Refer to sections 3.4 and 3.5 for details about how to deal with your Entitlements in this manner. If you decide not to take up your

Entitlements under the Offer, you should consider whether to sell all or part of your Entitlement during the rights trading period.

This does not mean you have to sell your existing Shares. Your Entitlements to subscribe for New Securities may be sold or transferred without selling the Shares you presently hold.

Entitlements which are not taken up will lapse in which case the Shortfall will be dealt with in accordance with sections 1.12, and 2.3.

Prices obtainable for Entitlements during the rights trading period for the Offer may rise and fall and will depend upon many factors, including the demand for and supply of Entitlements on the ASX and the value of Shares relative to the Offer Price. There is no guarantee of a liquid market in traded Entitlements. If you sell your Entitlement on the ASX during the trading period you may receive a higher or lower price than a person who sells their Entitlement at a different time during the trading period.

Entitlements traded on the ASX may incur brokerage costs.

Entitlements can also be transferred directly between parties. Refer to section 3.6 for details about how to deal with your Entitlements in this manner.

You may only transfer your Entitlement to a transferee who is resident in Australia and New Zealand. A transferee who is not resident in these countries will not be an Eligible Shareholder for the purposes of the Offer and will not be entitled to take up the Entitlements acquired. It is the responsibility of purchasers and transferees of Entitlements to determine whether or not they will be classified as an Eligible Shareholder at the end of the rights trading period.

If you sell or transfer your Entitlement, or if you allow your Entitlements to lapse, you will forgo exposure to increases or decreases in the value of New Securities issued if you had taken up the Entitlement and your percentage shareholding in the Company will be diluted.

## 2.7 **Minimum subscription**

There is no minimum subscription to the Offer.

## 2.8 **Underwriting**

The Offer is fully underwritten by Patersons Securities Limited. Further details of the appointment of the underwriter are set out in section 7.11.

## 2.9 **Sub-underwriting – related party Carl Dumbrell**

The Underwriter has entered into a sub-underwriting agreement with a company associated with Mr Carl Dumbrell, a director of the Company. In addition to taking up his entitlement Mr Dumbrell will sub-underwrite the Shortfall up to a maximum of \$50,000. The Underwriter has agreed to pay Mr Dumbrell a 1.5% sub-underwriter fee on the amount sub-underwritten.

The sub-underwriting by Mr Dumbrell is not expected to have any control effects on the Company and is consistent with terms offered to unrelated sub-underwriters. The sub-underwriting may lead to Mr Dumbrell acquiring up to a further 16,666,667 New Shares which may lead to Mr Dumbrell having a total relevant interest of approximately 6.9% following the Offer.

The sub-underwriting agreement is on the same terms as all general sub-underwriting agreements entered into by the Underwriter in relation to the Offer. As required by Listing Rule 10.12 (Exception 2) a summary of the terms of the general sub-underwriting agreements is as follows:



- For personal use only
- (a) if there is a Shortfall under the Offer, each sub-underwriter will be required to sub-underwrite for their proportionate share of the Shortfall after priority allocations have been determined;
  - (b) a sub-underwriting fee of 1.5% is payable by the Underwriter under the sub-underwriting agreements;
  - (c) each sub-underwriter's obligations as sub-underwriter are conditional on completion of the Offer pursuant to the Underwriting Agreement; and
  - (d) the sub-underwriters are not permitted to terminate their respective sub-underwriting agreements. However, if the Offer does not proceed or if the Underwriting Agreement is terminated, the sub-underwriting agreements will also terminate.

The non-interested Directors are of the view that prior Shareholder approval for the issue of New Shares and the New Options to Mr Dumbrell was not required on the basis that it fell under the underwriting exception in Exception 2 of Listing Rule 10.12, and also on the basis that the terms of the sub-underwriting is considered to be on usual 'arm's length' commercial terms, with terms the same as other general sub-underwriting agreements.

#### 2.10 Option Holders

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (AEDST) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 12,060,000 New Shares and 12,060,000 New Options may be issued under this Prospectus. Details of the Existing Options are set out in section 5.2. However, having regard to the exercise price of the Existing Options and the Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

#### 2.11 Overseas shareholders

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Securities in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Securities they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Securities will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

#### 2.12 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

#### 2.13 **Foreign Holder Nominee**

The Company has appointed Patersons Securities Limited to act as nominee for the purposes of Listing Rule 7.7 (**Nominee**). The Company must issue to the Nominee those rights to New Securities that would otherwise have been issued to Shareholders who are Ineligible Shareholders on the Record Date.

The Nominee will attend to the sale of the rights issued to it by the Company and direct the net proceeds (if any, after deduction of the costs of sale) to the Company to facilitate pro rata payments of any net proceeds to the Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the rights issued to it may be sold and the manner in which any sale is made. The net proceeds of the sale (if any) will be paid to those Ineligible Shareholders for whose benefit the rights are sold in proportion to their shareholdings as at the Record Date (after deducting brokerage, commission and other expenses). If the proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Nominee may sell the rights, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. Neither the Company nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell the New Securities at any particular price or at any particular time.

#### 2.14 **Electronic prospectus**

An electronic version of this Prospectus is available on the Internet at <http://www.oilbasins.com.au/>.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company, the Share Registry or a financial adviser.

### 3. How to apply

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#### 3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Shareholders may participate in the Offer as follows:

#### 3.2 Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form; and
- (b) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency** should be made payable to Oil Basins Limited and crossed "not negotiable".

You should ensure that sufficient funds are held in the relevant accounts to cover the Acceptance Money. If the amount of your cheque for Acceptance Money is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Money will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

#### 3.3 Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (b) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency**, should be made payable to Oil Basins Limited and crossed "not negotiable".

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

#### 3.4 **Take up part of your Entitlement in the Offer and sell the balance on the ASX**

If you are an Eligible Shareholder under the Offer and you wish to take up part of your Entitlement and sell the balance, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this document, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form);
- (b) complete the section marked "Instructions to Your Stockbroker" on the back of the form in respect of that part of your Entitlement you wish to sell; and
- (c) forward the form to your stockbroker together with your cheque or bank draft for the total amount payable in respect of the New Shares accepted. Cheques and bank drafts, in Australian currency, should be made payable to Oil Basins Limited and crossed "not negotiable".

Entitlement trading will commence on 2 October 2017. Sale of your Entitlements must be completed by 13 October 2017 when Entitlement trading is expected to cease.

#### 3.5 **Sell your Entitlement in the Offer in full on the ASX**

If you are an Eligible Shareholder under the Offer and you wish to sell all of your Entitlement, please:

- (a) complete the section marked "Instructions to Your Stockbroker" on the back of the Entitlement and Acceptance form, which accompanies this document, in accordance with the instructions contained on the form; and
- (b) lodge it with your stockbroker.

Entitlement trading will commence on 2 October 2017. Sale of your Entitlements must be completed by 13 October 2017 when Entitlement trading is expected to cease.

#### 3.6 **Sell your Entitlement in full or in part other than on the ASX**

If you are an Eligible Shareholder under the Offer and you wish to sell all or part of your Entitlement other than on the ASX, you must:

- (a) complete a Renunciation and Transfer Form, which is available from the Company's Share Registry on 1300 288 664;
- (b) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, for the portion of your Entitlement that you wish to transfer; and
- (c) forward the completed Renunciation and Transfer Form, Entitlement and Acceptance Form together with a cheque or bank draft from the transferee for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency**, should be made payable to Oil Basins Limited and crossed "not negotiable".

You may only transfer your Entitlement in this manner to a transferee who is resident in Australia and New Zealand.

For any portion of your Entitlement not being transferred, you may take up that part of your Entitlement in the manner specified in sub-paragraph 3.2.

If a completed Renunciation and Transfer Form and an application for New Shares are received for the same Entitlements, the Renunciation and Transfer Form will take priority.

### 3.7 **Do nothing**

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Securities will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be sold to an Eligible Shareholder who applies for Additional Shares or other third parties procured by the Directors in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

### 3.8 **Applying for Additional New Securities**

Eligible Shareholders who have subscribed for their Entitlement in full may apply for New Shares (**Additional Shares**) by:

- (a) Completing the relevant section of their Entitlement and Acceptance Form in accordance with the instructions set out in the form; and
- (b) Forwarding your completed Entitlement and Acceptance Form together with your cheque or bank draft for both the Entitlement and the Additional Shares applied for in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine.

You should ensure that sufficient funds are held in the relevant accounts to cover the Acceptance Money. If the amount of your cheque for Acceptance Money is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Money will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (AEDST) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

It is possible that there will be few or no Additional Shares available depending on the level of acceptance of Entitlements by Eligible Shareholders. All Additional Shares applied for, comprise the Shortfall and will be allocated in accordance with the terms of the Underwriting Agreement. There is therefore, no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. The Company and the Underwriter reserve the right to allocate any Additional Shares at their absolute discretion. The Company may issue to an applicant a lesser number of Additional Shares than applied for, reject an application for Additional Shares, or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares allocated and issued is less than the number applied for, surplus application monies will be refunded without interest.

### 3.9 **Shortfall**

Any New Shares (including Additional Shares) not taken up by Eligible Shareholders may become available as Shortfall and will be dealt with in accordance with the Underwriting Agreement.

The offer of the Shortfall is a separate offer made pursuant to this Prospectus.

Non-shareholder applicants will need to complete a Shortfall Application Form that accompanies this Prospectus in accordance with the instructions on the form.

The Directors reserve the right in consultation with the Underwriter, subject to the requirements of the Listing Rules and the Corporations Act, to place any shortfall within three months after the Closing Date. New Shares offered pursuant to the Shortfall Offer will be issued at the same issue price of the New Shares under the Offer. All New Shares (including Additional Shares) allotted will receive an attaching New Option.

### 3.10 **General**

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.003 for each New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder elects to make payment using BPAY, they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Securities offered by this Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Automatic Registry Services	OR	Automatic Registry Services
Oil Basins Limited Offer		Oil Basins Limited Offer
Suite 310, Level 3 50 Holt Street Surry Hills NSW 2010		PO Box 2226 Strawberry Hills NSW 2012

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

### 3.11 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Securities under the Offer;
- (b) you acknowledge that the New Securities have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

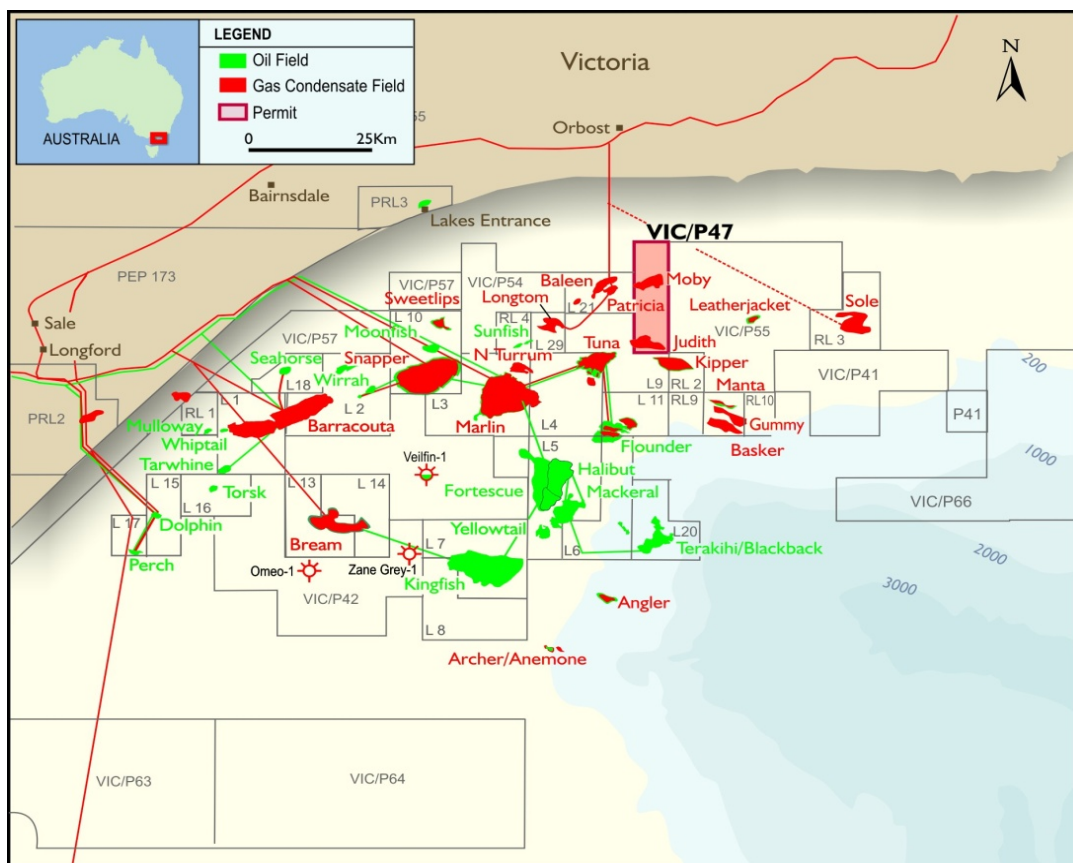
## 4. Company Information

### 4.1 Introduction

Oil Basins Is a junior Oil and Gas Exploration company listed on the Australian Securities Exchange (ASX:OBL). The Company has two exploration permits being (Vic/P47) offshore Victoria and Backreef (onshore Western Australia). The Company also holds retention lease (R1/R3 Cyrano) offshore Western Australia.

The Company believes that gas is desperately needed to power the homes and businesses of NSW, Victoria and South Australia. Particularly given that the East Coast market has closed four coal fired power stations since 2014, reducing electricity supply by 3760 Mega Watts (MW).

VIC/P47 project is located within Australia's premier oil and gas province, the offshore Gippsland Basin, in the Bass Strait. The basin is home to the Patricia Baleen (gas), Longtom (gas/condensate), Kipper (gas/oil) and Tuna (gas/oil) permits.



In November 2016, the management team decided to focus its limited resources on the East Coast gas market. The Company commissioned 3D Geo Pty Ltd to complete a study of reprocessing historical 3D Seismic data and mapping over permit Vic/P47.

This study was finalised in August 2017 and announced to the ASX and concluded that Vic/P47 has a significantly larger Conventional Gas Potential than previous defined over the Judith Structure.

The seismic interpretation and mapping together with Quantitative Inversion outputs from the newly reprocessed 3D seismic data indicates the presence of additional potential in the Judith



Block with significant upside in the Judith North Block located up-dip from Judith-1. The presence of gas in the Emperor reservoir sandstones across the prospective blocks is supported by the Quantitative Inversion results.

Input reservoir parameters used by GCA have been used as the basis for calculation of the new Gas-in-Place assessment by 3D-GEO as shown in Table 1.

Block	Gas-In-Place (Bcf)			Gas Recoverable (Bcf) <sup>1</sup>		
	P90	P50	P10	P90	P50	P10
Judith	300	420	550	165	273	413
North	1200	1380	1550	660	897	1163
Total	1500	1800	2100	825	1170	1575

[1] Gas recovery factors from Gaffney Cline & Associates (2008 & 2013)

**Table 1:** Summary of Gas-in-Place for the Judith and Judith North Blocks- Unrisked, probabilistic conservative case (3D-GEO evaluation, 2017 announced on ASX 10 August 2017)

OBL has lodged its application to renew Vic/P47 with NOPTA in August 2017 for a further five (5) years. The application includes a well to be drilled in the primary term (year 3, 2020).

Projects in Gippsland Basin are in demand, ExxonMobil are investing over \$5 billion dollars on the development of the Kipper/Tuna/Marlin projects. The field at "Sole" will be drilling, and in August 2017 it was announced that Liberty Petroleum is undertaking a transaction with ExxonMobil involving Vic/P70 "Dory".

As disclosed in the Annual Report of the Company the other projects of the Company are, at this point in time, not being actively pursued other than to hold them for future development.

#### 4.2 Company Update

The loss for the consolidated entity after providing for income tax for the year ended 30 June 2017 amounted to \$1,193,964 (30 June 2016: \$2,367,411).

The net assets of the consolidated entity decreased by \$405,212 to \$3,361,771 as at 30 June 2017 (2016: \$3,766,983).

The consolidated entity's working capital, being current assets less current liabilities was in surplus at 30 June 2017, in the amount of \$174,680 (2016: deficit \$514,413). During the period, the consolidated entity had a negative cash flow from operating activities of \$490,093 (2016: \$694,465) and expended \$272,392 (2016: \$430,773) in relation to exploration and evaluation activities.

Further details are set out in the 2017 Annual Report of the Company released on ASX on 20 September 2017.

#### 4.3 The Directors

The Directors of OBL bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with OBL that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, of OBL, without undue constraints from other commitments.

The following persons are directors of the Company as at the date of this Prospectus:

**Carl Dumbrell – Non-executive Director** - BCom MTAX CA ACA (England & Wales) CTA MAICD JP

Mr. Dumbrell is a partner of a Sydney firm with 20 year's experienced in taxation, assurance service and capital markets in Australia and England. Mr Dumbrell has extensive experience with Mining, and Oil & Gas companies. He is actively involved in capital market transactions in Australia, Asia and London. Mr Dumbrell has a Bachelor of Commerce and Masters of Taxation Law, he is a Chartered Accountant in Australia, England & Wales, as well as being a Chartered Tax Advisor, Member of the Australian Institute of Company Directors, Justice of Peace and a Registered Company Auditor in Australia.

**Vaz Hovanessian – Non-executive Director** - B.Bus., M.App.Fin, CPA, FCSA, FGIA

Mr Hovanessian has graduate and postgraduate degrees in Accounting and Finance with over 25 years' experience with junior oil & gas and mining companies and has held directorship, secretarial and finance roles in several of them. He has served on the Boards or had Company Secretarial/CFO roles in ASX listed entities and currently is an executive director on Mandalong Resources Ltd and Broad Investments Ltd. Vaz has extensive corporate advisory, finance and property and tourism experience and in the ASX listed junior resources area, and has been instrumental in or assisted with the ASX listing by IPO or back-door listing of many such companies.

**Justyn Peters – Non-executive Director** - BLaw, BA (politics/jurisprudence) GDLP

Mr Peters has graduate law and politics degrees and is Executive Chairman of ASX listed Leigh Creek Energy Limited which is advancing the development of the Leigh Creek Energy Project in South Australia. Previously he was Executive General Manager for Linc Energy and held a wide range of senior executive appointments for over 6 years. His experience across a broad range of onshore development activities will prove invaluable in assisting OBL to develop the Company's West Australian projects. Previously Justyn was employed at the Queensland EPA as Head of Investigations and Compliance and then as acting Director of Central and Northern Regions. He previously managed the integration of the environmental regulation of Queensland mining into the EPA.

(a) Constraints on availability

Save as noted in this Prospectus, each Director has confirmed to the Company that he anticipates being available to perform his duties as Director of the Company without constraint from other commitments.

(b) Independence of Directors

No Directors are nominees or representatives of a substantial shareholder.

The Board considers that Carl Dumbrell, Vaz Hovanessian and Justyn Peters are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the ASX Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition).

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in section 1.10.

## 5. Effect of the Offer on the Company

### 5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the audited balance sheet as at 30 June 2017.

The pro-forma balance sheet shows the effect of the Offer as an underwritten offer and as if the Offer (under this Prospectus) had been made on 30 June 2017. The pro-forma balance sheet assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2017.

The significant effects of the Offer (assuming the Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by approximately \$1,554,154.19 (less cash expenses of the Offer which are estimated to be approximately \$199,769 (excl. GST) assuming a \$0.003 per share subscription price);
- (b) increase the number of issued ordinary shares by 518,051,398 to 805,857,730; and
- (c) increase the number of Options on issue by 518,051,398 to 524,751,398, assuming 1 New Option is issued for each 1 New Share.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

#### Pro -forma consolidated balance sheet – Oil Basins Limited (reflects full-underwriting)

Assets	Pro-Forma 30 June 2017	Audited Year ended 30 June 2017	Audited Year ended 30 June 2016
<b>Current assets</b>			
Cash and cash equivalents	1,608,686	58,686	24,308
Trade and other receivables	683,726	683,726	62,562
Other	172,483	172,483	284,554
<b>Total current assets</b>	<b>2,464,895</b>	<b>914,895</b>	<b>371,424</b>
<b>Non-current assets</b>			
Available-for-sale financial assets	1,200	1,200	1,700
Property, plant and equipment	-	-	1,733
Petroleum exploration expenditure	3,136,359	3,136,359	4,277,963
Total non-current assets	3,137,559	3,137,559	4,281,396
<b>Total assets</b>	<b>5,602,454</b>	<b>4,052,454</b>	<b>4,652,820</b>
<b>Liabilities</b>			

**Current liabilities**

Trade and other payables	1,045,926	1,045,926	549,782
Employee benefits	-	-	106,642
Convertible note	-	-	30
Other financial liabilities	-	-	229,383
<b>Total current liabilities</b>	<b>1,045,926</b>	<b>1,045,926</b>	<b>885,837</b>

<b>Total liabilities</b>	<b>1,045,926</b>	<b>1,045,926</b>	<b>885,837</b>
<b>Net assets</b>	<b>4,556,528</b>	<b>3,006,528</b>	<b>3,766,983</b>

**Equity**

Issued capital	24,799,367	23,249,367	22,460,115
Reserves	267,370	267,370	267,870
Accumulated losses	(20,510,209)	(20,510,209)	(18,961,002)
<b>Total equity</b>	<b>4,556,528</b>	<b>3,006,528</b>	<b>3,766,983</b>

**5.2 Capital structure**

The share capital structure of OBL immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

<b>Shares</b>		
	<b>Number</b>	<b>%</b>
Ordinary Shares on issue at the date of this Prospectus	287,806,332	36%
Maximum number of New Shares under Prospectus <sup>1</sup>	518,051,398	64%
<b>Total:</b>	<b>805,857,730</b>	<b>100%</b>
<b>Options</b>		
	<b>Number</b>	<b>%</b>
Options on issue at the date of this Prospectus	6,700,000	1.3%
Maximum number of New Options under Prospectus <sup>1</sup>	518,051,398	98.7%
<b>Total:</b>	<b>524,751,398</b>	<b>100%</b>

Notes:

- If any of the Existing Options are exercised prior to the Record Date, additional New Securities will be issued under the Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 6,700,000 resulting in a further 12,060,000 New Shares and 12,060,000 New Options being issued pursuant to this Prospectus. However given the current exercise price (\$0.04658) of the Options the Company views this as unlikely.*

As at the date of this Prospectus, the Company has the following Existing Options on issue:

No of options issued	No of options vested	Holder	Exercise price	Expiry date
6,700,000	Nil	The Australian Special Opportunities Fund, LP	\$0.04658	17 November 2018

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 64%. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by a maximum of 64% in the event that the Offer is fully subscribed.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

If the Underwriter is the only Eligible Shareholder to take up their entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the Underwriter will receive 518,051,398 New Shares under the Offer. The total number of Shares held by the Underwriter will become 518,051,398 and the Underwriter's voting power will increase to 64%. However the Underwriter has confirmed that it has entered into sub-underwriting commitments to ensure that no one entity will hold more than 20% of the issued capital of the Company.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Underwriting Agreement, the *Corporations Act* and the Listing Rules.

## 6. Risk factors

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### 6.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the New Securities offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Directors. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as OBL, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Securities is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Securities;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Securities under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the New Securities offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the New Securities offered under this Prospectus. Shareholders should examine the full content of this Prospectus, information released by the Company on the ASX and may wish to consult their financial or other advisers before deciding to apply for New Securities or exercise New Options.

### 6.2 General Risks

The New Securities that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company has interests in the petroleum exploration industry which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks is described below:

- (a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the underwriter, to other parties in which case

their interest in the Company may be significantly. Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 64% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Securities carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company. Neither the Company nor the Directors warrant the future performance of the Company, profitability, dividends, return on capital, price or degree of liquidity, or any return on an investment in the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(e) Legislative change

Oil and gas exploration is a regulated industry in Australia and other countries and is subject to change.

Changes in relevant taxes, legal and administration regimes, accounting practices and government regulations, policies and legislation, including in relation to oil and gas exploration, may adversely affect the financial performance of the Company.

(f) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

**6.3 Risks specific to an investment in the Company**

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Securities.

(a) Short term capital requirements

The primary purpose of the Offer is to raise funds to meet the Company's expenditure obligations in relation to its projects, the costs of the Offer and for working capital. Details of the Company's current intentions with respect to the use of the proceeds of the Offer are set out in Section 1.4 of this Prospectus.

Without the capital raising under the Offer, the Company's current cash resources will not be sufficient to meet existing obligations nor fund its expenditure obligation in relation to its projects in the near term or meet ongoing working capital requirements. Should the Company be unable to raise capital under the Offer, there is a material uncertainty as to whether the Company will be able to continue as a going concern.

(b) NOPTA may not Renew VIC P/47

The Company lodged its renewal application with NOTPA for the exploration permit ViC/P47 on 14 August 2017. A request for additional information from NOPTA was sent to the Company on 28 August 2017 and the Company responded to this request on 7 September 2017. As at the date of this Prospectus there has been no further requests from NOPTA and the Company has no reason to believe that the renewal will not be granted.

While the Directors believe that the permit will be renewed there can be no guarantee given at this stage that it will be renewed or be renewed on terms acceptable to the Company.

The NOPTA is responsible for granting the renewal of offshore permits and NOPTA has the power to refuse to renew any permit on the basis of non-compliance with the conditions of that permit. The Company and its consultants have been working with NOPTA to finalise its application for renewal and as at the date of this Prospectus, the Company holds the view that the permit will be renewed on conditions acceptable to the Company.

However, the Company may not have fully complied with its permit conditions, and as such NOPTA may refuse the renewal of VIC/P47. If the permit is not renewed for any reason, the Company may lose the opportunity to develop and discover any petroleum resources on that permit which may in turn affect the operations and value of the Company.

(c) Claims by Former Directors and Management

Former directors and management of the Company have made claims against the Company and these claims, where material, have been disclosed on the ASX. The



Company is working through these claims with its lawyers and advisers and is confident that the Company is taking the appropriate action in each of the circumstances.

*Neil Doyle*

On 29 December 2016 the Company announced it had finalised a settlement with former CEO Neil Doyle. The Company is of the view that Mr Doyle released the Company from all future obligations owing to Mr Doyle on and from the execution of that Deed of Settlement.

*Kim McGrath*

As previously disclosed OBL received a Statement of Claim from OBL's former Executive Chairman Kim Warren McGrath, lodged with the Federal Circuit Court of Australia in the Fair Work Division dated 1 May 2017 for \$551,632.19 for unpaid salary, Director's fees, superannuation and expenses (**McGrath Proceeding**).

OBL has lodged a defence to the McGrath Proceeding.

OBL paid a portion of the amount claimed to Mr McGrath, being the sum of \$199,850 less superannuation and tax on 19 September 2017. The majority of the balance of the amount claimed by Mr McGrath (\$351,782.19) is disputed. The McGrath Proceeding has been listed for trial commencing on 20 June 2018.

As at the date of this Prospectus, the Company is attempting to reach final settlement of all claims that Mr McGrath may have. In the event that a formal settlement is reached the Company will update the ASX accordingly.

Given the history of the Company future claims may be made. The Company will deal with any claims made by following the advice of its appointed experts and consultants. As at the date of this Prospectus the Directors are not aware of any claim or threatened claim other than those disclosed on the ASX and in this Prospectus.

(d) Operational risks

The business of petroleum exploration, development and production by its nature involves significant risks. The business depends on, among other things, successful exploration and identification of petroleum reserves, security of tenure, the availability of adequate funding, satisfactory performance of production operations, weather conditions, availability and cost of consumables and plant and equipment and skilled labour when required, good industrial relations and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances, petroleum reserves and geotechnical considerations. Petroleum exploration and development are high risk undertakings and can include numerous operational risks, such as unusual or unexpected geological formations, mechanical breakdowns or failures, human errors, unexpected shortages, delays or increase in cost in consumables, plant and equipment, insufficient storage and transportation capacity and other unexpected events which occur in the process of drilling and operating activities. Such risks could result in substantial financial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean up responsibilities and regulatory investigation, amongst other types of loss or damage.

There can be no assurance that exploration of the projects the Company currently has an interest in will result in the discovery of an economic reserve or resource. Petroleum exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from

wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. If the Company makes a discovery, there can be no assurance that the technical, financial and regulatory hurdles can be cleared and profitable, commercial production achieved. There are also risks associated with the financial failure, default or dispute with or claim by, any participant in a joint venture or contractual arrangements to which the Company is or may become party to.

(e) Environmental risks

All petroleum exploration projects and operations have an impact on the environment, particularly advanced exploration and project development. The Company endeavours to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and production activities, the Company's operations are expected to have an impact on the environment. There are also risks inherent in the Company's activities including accidental leakages, blow outs, pipe failures, release of hazardous substances, spills or other unforeseen circumstances that could subject the Company to extensive liability and impact upon the financial viability of the Company.

Further, the Company may require approval from relevant regulatory authorities before undertaking activities that are likely to impact the environment. If the Company fails to obtain these approvals, it will be prevented from undertaking those activities. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the imposition of injunctions to force future compliance. The Company cannot predict what further legislation and regulations may govern production, and may impose significant environmental obligations on the Company which may lead to increased costs to the Company.

(f) Exploration risks

Currently, the Company's main activity is exploration. The success of the Company in that activity depends on the delineation of economically recoverable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's existing exploration and proposed production tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and proposed production tenements may be unsuccessful, and therefore may result in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of tenements.

No known technologies provide conclusive evidence prior to drilling a well that oil or natural gas is present or may be produced economically. New wells drilled may not be productive, or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The cost of drilling, completing, equipping and operating wells is typically uncertain before drilling commences.

(g) Competitor risks

The Company faces competition from established entities having greater financial and technical resources which may hinder the Company's ability to compete for future business opportunities, acquire and exploit additional attractive natural resource

properties or procure equipment or services, necessary to conduct its operations in line with its stated objectives. 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.

(h) Resource estimates subjective

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Petroleum engineering is a subjective process of estimating accumulations of oil and/or natural gas that cannot be measured in an exact manner and which involves the use of assumptions which may ultimately not prove to be accurate. Downward adjustments to resource estimates could adversely impact the Company's future plans and ultimately its financial performance and value.

(i) Contractor risk

Petroleum exploration and development activities are dependent on the availability of drilling rigs and related equipment and the provision of third party services in the areas in which the Company carries out operations. The Company (and its Subsidiaries) may contract or lease services and equipment from third party providers and suppliers. Such services or equipment may be in short supply and may not be readily available at the times and places required. The failure of a third-party provider or supplier would have a material adverse impact on the Company's business.

(j) Occupational Health and Safety risk

The oil and gas industry is subject to occupational health and safety laws and regulations which change from time to time and may result in increased compliance costs or the potential for liability. The Company intends to mitigate this risk by operating to the highest occupational health and safety standards.

(k) Environmental and other governmental regulations

The Company may be required to comply with various laws and regulations pertaining to exploration, development and the discharge of materials into the environment or otherwise relating to the protection of the environment in the countries that the Company operates, all of which can increase the costs and time required to attain and maintain operations. The Company may have to obtain exploration, development and environmental permits, licenses or approvals, work permits for expatriate workers that may be required for the Company's operations. There can be no assurance that the Company will be successful in obtaining, if required, a permit to commence exploration, development and operation, or any other necessary permits for its operations or that such permits can be obtained in a timely basis. If the Company is unsuccessful in obtaining the required permits it may adversely affect the Company's ability to carry on business which will result in a loss of value of Shares.

(l) Estimation of Reserves

Reserve estimates, including the economic recovery of petroleum, requires assumptions about recovery costs and market prices. Reserve estimation is, by its nature, an imprecise and subjective process and the accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment and experience. The economic feasibility of projects will be based upon the Company's estimates of the size of petroleum reserves, production

rates, capital and operating costs, and the future price of petroleum. Estimates that were valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. If such estimates are incorrect or vary substantially it could affect the Company's ability to develop an economic project and would reduce the value of your investment. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change.

## **7. Additional information**

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### **7.1 Transaction specific prospectus**

OBL is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares and New Options.

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

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) audited annual financial report for the period ending 30 June 2017;
- (b) audited annual financial report for the period ending 30 June 2016;
- (c) reviewed half-yearly financial statements for the Company for the period ending 31 December 2016; and
- (d) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2017 and ending on the date of lodgement of this Prospectus with ASIC.

### **7.2 ASX Information and Share information**

The ASX Announcements that the Company has made since 30 June 2016 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: <http://www.oilbasins.com.au/>.

The highest and lowest prices of shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	0.6	0.3	0.439
Three months	0.8	0.3	0.508
Six months	0.8	0.3	0.502

The last market sale price of Shares as at 26 September 2017 was \$0.005.

The issue price of \$0.003 represents a discount of 40% to the last market price of Shares on 26 September 2017, being the last trading day before lodgement of this Prospectus.

### 7.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

## 7.4 Rights and Liabilities of the New Options

The New Options will be issued on the following terms and conditions:

### Consideration

The New Options are issued as part of the Offer on the basis of 1 New Option for each New Share issued. No further consideration other than the payment of the Offer Price will be payable by Eligible Shareholders for the New Options.

### Terms of Exercise

The exercise price of each New Option is \$0.005 (**Exercise Price**).

The New Options will expire on 31 March 2020 (**Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the conditions set out below, each New Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date.

The New Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option to the Company at any time on or after the date of issue and allotment of the New Options, on or before the Expiry Date.

On the valid exercise of the New Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

### **Transferability**

The New Options are transferable.

### **Rights to participate**

Holders of New Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide holders of New Options with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the New Options, in accordance with the requirements of the Listing Rules.

Holders of New Options do not participate in any dividends unless the New Options have been exercised and the resultant Shares are issued prior to the record date to determine entitlements to the dividend.

### **Reconstructions**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (a) the number of New Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of New Options which are not conferred on shareholders; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

### **Pro rata issues**

If there is a pro rata issue (except a bonus issue), the Exercise Price may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

$O^n$  = the new exercise price of the New Option;

$O$  = the old exercise price of the New Option;

- E = the number of underlying securities into which one New Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

### **Bonus issues**

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the New Options is exercisable may be increased by the number of Shares which the holder of the New Options would have received if the New Options had been exercised before the record date for the bonus issue.

The terms of the New Options may only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the New Options must not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

### **Quotation**

The Company will make an application to ASX for quotation of the New Options.

Application will be made for quotation of the Shares issued upon exercise of New Options.

## **7.5 Corporate Governance**

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: <http://www.oilbasins.com.au/>. The Company has established the following Board committees to assist the Board in exercising its authority:

- (a) Audit and Risk Committee; and
- (b) Remuneration and Nomination Committee.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

## **7.6 Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;



(b) property acquired or to be acquired by the company in connection with:

(1) its formation or promotion;

(2) the Offer; or

(c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

(a) to induce them to become, or to qualify as, a Director of the Company; or

(b) for services provided by a director in connection with:

(1) the formation or promotion of the Company; or

(2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Securities the directors may acquire under the Offer.

Director	Number of Shares	Entitlement to New Shares	Number of Options
Carl Dumbrell	14,080,435	25,344,783	N/A
Vaz Hovanesian	26,087,954	46,958,317	N/A
Justyn Peters	5,962,954	10,733,317	N/A

As noted in section 2.9 Carl Dumbrell has agreed to act as a sub-underwriter up to a maximum of \$50,000. In the event of a Shortfall and Mr Dumbrell takes up his full sub-underwriting commitment then he will be issued a further 16,666,667 New Shares and 16,666,667 New Options. Shareholders should note that the terms of the sub-underwriting with Mr Dumbrell are the same as those offered to other unrelated sub-underwriters.

## 7.7 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Directors' remuneration for the financial year ended 30 June 2017:

Director	Remuneration
Carl Dumbrell	\$99,722
Vaz Hovanesian	\$40,426

Justyn Peters	\$40,426
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Directors' remuneration for the financial year ended 30 June 2016:

Director	Remuneration
Carl Dumbrell	\$43,996
Vaz Hovanessian	-
Justyn Peters	-

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.10.

#### 7.8 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
Raxigi Pty Ltd	48,855,000	16.97%
Sama Zarah Pty Ltd	26,087,954	9.06%

#### 7.9 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

#### 7.10 Payment of Non-Executive Director fees

Each of the Non-Executive Directors of the Company (being Carl Dumbrell, Vaz Hovanessian and Justyn Peters) are entitled to be paid directors' fees in the amount of \$60,000 per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

## 7.11 Underwriting Agreement

The Company has engaged Patersons Securities Limited as Lead Manager and Underwriter for the Offer under the underwriting agreement dated 26 September 2017 (**Underwriting Agreement**).

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are as follows:

(a) Fees

The Underwriter will be entitled to a Corporate Advisory Fee of \$60,000 and an Underwriting fee of 6% of the dollar amount underwritten. All sub-underwriting fees will be paid by Patersons from the Underwriting fee.

(b) The underwriting obligations can be terminated by the Underwriter in a number of circumstances including if:

- (1) The All Ordinaries, S&P 200 Energy or the S&P ASX Small Resources Index fall by more than 7.5%;
- (2) Any agreement, settlements or deeds are set aside or if a party to that agreement, settlement or threatens to set aside, repudiate or disclaim or threatens a new action, complain or such other action
- (3) a material statement in this Prospectus is misleading or deceptive;
- (4) the Company fails to lodge a supplementary Prospectus at the reasonable request of the Underwriter;
- (5) Quotation of the New Securities is not granted within the required timeframe;
- (6) a director of the Company is charged with an indictable offence;
- (7) the Company suffers an insolvency event;
- (8) the Company fails to comply with any law or material agreement which is likely to prohibit or materially restrict the business of the Company or this Offer;
- (9) the Company is in default of any material term and condition of the Underwriting Agreement;
- (10) An application is made to ASIC under section 1324B of the Corporations Act or ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act;
- (11) The Takeovers Panel makes a declaration of unacceptable circumstances or such an application is made;
- (12) Material hostilities break out between Australia, New Zealand, Japan, the United Kingdom, the United States of America, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (13) any specified prescribed occurrence occurs (which includes insolvency, winding up, breach of agreements and other standard terms relating to the legal status of the Company);
- (14) any adverse change occurs which materially impacts or is likely to impact, the assets, operational or financial position of the Company.
- (c) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

#### 7.12 **Interests of experts and advisers**

This section applies to persons 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, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Patersons Securities Limited is the underwriter to the Offer, in respect of which it is entitled to receive fees and commission under the Underwriting Agreement as set out in section 7.11 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$25,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

Deloitte are auditors to the Company. Deloitte does not make any statement in this Prospectus. Amounts may be paid to Deloitte in accordance with its normal time based charges.

#### 7.13 **Limitation on foreign ownership**

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also

be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

#### 7.14 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

#### 7.15 **Litigation**

As previously disclosed OBL received a Statement of Claim from OBL's former Executive Chairman Kim Warren McGrath, lodged with the Federal Circuit Court of Australia in the Fair Work Division dated 1 May 2017 for \$551,632.19 for unpaid salary, Director's fees, superannuation and expenses.

OBL has lodged a defence to the McGrath Proceeding.

OBL paid a portion of the amount claimed to Mr McGrath, being the sum of \$199,850 less superannuation and tax on 19 September 2017. The majority of the balance of the amount claimed by Mr McGrath (\$351,782.19) is disputed. The McGrath Proceeding has been listed for trial commencing on 20 June 2018.

As at the date of this Prospectus, the Company is attempting to reach full and final settlement of all claims that Mr McGrath may have. In the event that a formal settlement is reached the Company will update the ASX accordingly.

The Company is not engaged in any other litigation which has or would be likely to have a material adverse effect on either the Company or its business.

#### 7.16 **Privacy**

By submitting an Entitlement and Acceptance Form for New Securities you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Automic Registry Services an external service provider. The Company requires Automic to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the OBL group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Automic, except in limited circumstances. If you wish to access, update or correct your personal information held by Automic or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## 7.17 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$199,769 (excl. GST) as set out below:

<b>Expenses of the Offer</b>	
- corporate advisory and accounting	\$65,000
- legal costs	\$25,000
- underwriting and sub underwriting fees	\$93,249
- printing and office expenses	\$7,000
- ASIC lodgement	\$2,400
- ASX Listing fee	\$7,120

## 7.18 Consents and disclaimers

Each of the other parties referred to in this section 7.18:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes 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.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Patersons Securities Limited as lead manager and underwriter to the Offer;
- (b) HopgoodGanim Lawyers as lawyers to the Company in relation to the Offer; and
- (c) Automic Registry Services as the Share Registrar

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

**7.19 Directors' Authorisation**

This Prospectus is issued by Oil Basins Limited and has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporation Act, each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Oil Basins Limited by



.....  
Carl Dumbrell  
Director

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Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

<b>Acceptance</b>	An acceptance of Entitlements
<b>Acceptance Money</b>	The Offer Price multiplied by the number of New Shares accepted for
<b>Applicant</b>	A person who submits an Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited and the Australian Securities Exchange
<b>ASX Listing Rules</b>	The official listing rules of the ASX
<b>ASX Settlement</b>	ASX Settlement Pty Ltd
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement
<b>Board</b>	The board of directors of OBL
<b>Business Day</b>	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
<b>Closing Date</b>	The date by which valid acceptances must be received by the Share Registry being 17 October 2017 or such other date determined by the Board and the underwriter
<b>Company or OBL</b>	Oil Basins Limited ACN 006 024 764
<b>Constitution</b>	The Constitution of the Company
<b>Corporate Governance Principles and Recommendation</b>	Corporate Governance Principles and Recommendation 3rd Edition initially released by the ASX Corporate Governance Council in March 2014
<b>Corporations Act</b>	<i>Corporations Act</i> 2001 (Cth)
<b>Directors or Board</b>	The Board of directors of OBL from time to time
<b>Eligible Shareholder</b>	A shareholder of the Company that holds Shares in the Company on the Record Date with a registered address in Australia and New Zealand
<b>Entitlement and Acceptance Form or Form</b>	An entitlement and acceptance form in the form accompanying this Prospectus
<b>Entitlements</b>	The entitlement to accept New Shares and New Options under this Prospectus
<b>Existing Options</b>	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
<b>Group</b>	The Company and each of its wholly owned subsidiaries
<b>Law</b>	The <i>Corporations Act</i> or any relevant and applicable law in Australia
<b>Lead Manager</b>	Patersons Securities Limited
<b>New Options</b>	The new Options offered under this Prospectus
<b>New Securities</b>	The New Options and New Shares offered under this Prospectus
<b>Nominee</b>	Patersons Securities Limited

<b>Offer</b>	The offer and issue of New Shares and New Options in accordance with this Prospectus
<b>Offer Price</b>	\$0.003 for each New Share applied for
<b>Official List</b>	The official list of entities that ASX has admitted and not removed
<b>Official Quotation</b>	Quotation on the Official List
<b>Opening Date</b>	6 October 2017
<b>Option Holders</b>	The holders of the Existing Options
<b>Options</b>	Options on issue in the Company from time to time
<b>Prospectus</b>	This Prospectus dated 27 September 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
<b>Record Date</b>	3 October 2017
<b>Register</b>	Company Register of OBL
<b>Securities</b>	Has the same meaning as in section 92 of the <i>Corporations Act</i>
<b>Share Registry or Automic</b>	Automic Registry Services
<b>Shares</b>	The ordinary shares on issue in OBL from time to time
<b>Shareholders</b>	The holders of Shares from time to time
<b>Shortfall</b>	Those New Securities for which the Entitlement lapses
<b>Underwriter</b>	Patersons Securities Limited
<b>US Securities Act</b>	The US Securities Act of 1933, as amended.

## Appendix A

### (ASX Announcements)

Date	Title of Announcement
20 September 2017	2017 Annual Report to Shareholders
20 September 2017	Appendix 4G and Corporate Governance Statement
21 September 2017	Trading Halt
25 September 2017	Pro-Rata Renounceable Rights Issue
25 September 2017	Appendix 3B
25 September 2017	Investor Presentation - September 2017
26 September 2017	Pro-Rate Renounceable Rights Issue Clarification

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## Corporate Directory

<b>Directors</b>	<b>Solicitors to the Offer</b>	<b>Auditors</b>
Carl Dumbrell (Non-Executive Director) Vaz Hovanesian (Non-Executive Director) Justyn Peters (Non-Executive Director)	HopgoodGanim Lawyers Level 27, Allendale Square 77 St Georges Terrace Perth WA 6000 Tel: + 61 8 9211 8134 www.hopgoodganim.com.au	Deloitte 550 Bourke Street Melbourne VIC 3000  Tel: +61 3 9671 7000
<b>Administration and Registered Office</b>	<b>Lead Manager and Underwriter</b>	<b>Share Registry</b>
Level 4 100 Albert Road South Melbourne Victoria 3205 Australia Tel: +61 (0)3 9692 7222 Fax: +61 (0)3 9077 9233 <a href="http://www.oilbasins.com.au/">http://www.oilbasins.com.au/</a>	Patersons Securities Limited Level 23 Exchange Tower 2 The Esplanade Perth WA 6000	Automic Registry Services Suite 310, Level 3 50 Holt Street Surry Hills NSW 2010 Tel: 1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)  Fax: +61 2 8583 3040