ASX Announcement

2 May 2013

Takeover Bid by Cauldron Energy Limited for Energia Minerals Limited

Australian diversified exploration company Cauldron Energy Limited (**ASX: CXU**) (**Cauldron** or the **Company**) attaches by way of service pursuant to Item 5 of Section 633(1) of the Corporations Act 2001 (Cth) (**Act**), a copy of Cauldron's Bidders Statement in relation to Cauldron's off-market takeover bid for Energia Minerals Limited (**Energia**) (refer ASX Announcement dated 18 March 2013).

Cauldron has set 5pm (WST) on 3 May 2013 as the time and date for determining those persons to whom information is to be sent under Items 6 and 12 of Section 633(1) of the Act. This is specified in Section 9.15 of the attached Bidder's Statement.

The Bidder's Statement has today been lodged with the Australian Securities and Investments Commission and served on Energia.

For further information, visit www.cauldronenergy.com.au or contact:

Simon Youds

Cauldron Energy Limited

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Professional Public Relations

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ABN 22 102 912 783

32 Harrogate Street, West Leederville WA 6007

PO Box 1385, West Leederville WA 6901

ASX code: CXU

159,622,605 ordinary shares
4,300,000 unlisted options

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

CAULDRON ENERGY LIMITED (ABN 22 102 912 783)

Bidder's Statement

in relation to a Takeover Offer by Cauldron Energy Limited to acquire ALL of your ordinary shares in

Energia Minerals Limited (ABN 63 078 510 988)

Consideration offered is:
1 Cauldron Share for every 8 Energia Shares you own.

The Takeover Offer is dated 16 May 2013 and will close at 5:00pm (WST) on 16 August 2013, unless extended or withdrawn.

TO ACCEPT CAULDRON'S OFFER, SIMPLY COMPLETE THE ENCLOSED ACCEPTANCE FORM AND RETURN IT IN THE ENVELOPE PROVIDED.

IMPORTANT INFORMATION

Bidder's Statement

This document (**Bidder's Statement**), dated 2 May 2013, is issued by Cauldron Energy Limited (ABN 22 102 912 783) under Part 6.5 of the Corporations Act in relation to an off-market offer by Cauldron to acquire Energia Shares and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 2 May 2013. ASIC takes no responsibility for the contents of this Bidder's Statement.

Investments Risks

There are a number of risks that may have a material impact on the value of the Takeover Offer, the future performance of the Merged Entity and the value of Cauldron Shares. These are described in Section 8 of this Bidder's Statement.

Foreign Jurisdictions

The distribution of this document and the making of the Takeover Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Takeover Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

The entitlements of Energia Shareholders who are located in jurisdictions outside Australia, its external territories and New Zealand are set out in Section 9.10 of this Bidder's Statement.

No action has been taken to register or qualify Cauldron or to otherwise permit the offering of Cauldron Shares outside Australia, its external territories and New Zealand.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978 (New Zealand)* (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or an investment statement under the New Zealand law is required to contain.

The only members of the public in New Zealand to whom Cauldron Shares are being offered to under the Takeover Offer are Energia Shareholders. The Takeover Offer is being made in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Disclosure Regarding Forward Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Cauldron's current expectations and predictions about future events including Cauldron's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Cauldron, Energia and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

None of Cauldron, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

Value of Cauldron Shares

The implied value of the Takeover Offer will vary with the market price of Cauldron Shares. Further information on the implied value of the Takeover Offer is contained in this document.

In addition, all references to the implied value of the Takeover Offer are subject to the effects of rounding.

Investment Advice

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Energia Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Takeover Offer.

Privacy

Cauldron has collected your information from the registers of Energia for the purposes of making the Takeover Offer and administering your acceptance over your Energia Shares. Cauldron and its share registry may use your personal information in the course of making and implementing the Takeover Offer. Cauldron and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Cauldron, please contact Cauldron at the address set out in the Key Contacts Section.

Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

Internet Sites

Cauldron and Energia each maintain internet sites. The URL location for Cauldron is www.cauldronenergy.com.au and for Energia is www.energiaminerals.com. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement is for information purposes only.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Cauldron's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Cauldron or Energia in respect of which different exchange rates may have been, or may be, used.

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Queries

You should contact your legal, financial or professional advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Takeover Offer, please contact Cauldron on +61 8 9380 9555 or your professional financial advisor.

2 May 2013

Dear Energia Shareholders

On behalf of the Directors of Cauldron Energy Limited (**Cauldron**), I am pleased to enclose an offer to acquire all of your shares in Energia Minerals Limited (**Energia**).

By accepting Cauldron's offer you will, subject to the terms and conditions of the offer, receive one (1) Cauldron Share for every eight (8) Energia Shares held by you (Takeover Offer).

These terms and conditions are explained further in Appendix A.

A significant benefit accruing from the Takeover Offer, once completed (and assuming Cauldron receives acceptances for 90% or above in respect of all of the Energia Shares on issue) is the creation of a merged entity which will hold a contiguous tenement package with a strike of over 150km in a highly prospective uranium province in the Carnarvon Basin region of Western Australia. This area has been the subject of recent exploration success by Cauldron, Paladin Energy Ltd and Energia.

The Board believes that by combining the companies we can create a uranium-focused entity that holds a dominant land position in an emerging and potentially significant uranium province. The new company will have the financial, material and human resources to advance multiple uranium deposits towards development, in an environment suitable for low-cost and environmentally friendly in-situ leach mining methods. Cauldron has spent $7.7 million developing its Yanrey assets since 2005. This underlines the commitment and belief of the Company in this key uranium region which it considers to be on the cusp of adding to the world's producing regions.

The Takeover Offer represents a premium of 30% to the closing price of Energia Shares on 14 March 2013, the date prior to the announcement of Cauldron's intention to make a bid, and Cauldron believes that if the Offer does not succeed and there are no other alternative offers or proposals for Energia Shares, the trading price of Energia Shares may fall.

I encourage you to read this important document carefully, including the risk factors set out in Section 8. The Takeover Offer is open for your acceptance until 5:00pm (WST) on 16 August 2013, unless extended. If you wish to accept the Takeover Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the Takeover Offer, please contact Cauldron on +61 8 9380 9555, or your professional financial advisor.

Yours sincerely

Mr Tony Sage
Executive Chairman
Cauldron Energy Limited

KEY DATES

Announcement of Takeover Offer	18 March 2013
Date of this Bidder's Statement	2 May 2013
Date this Bidder's Statement is lodged with ASIC	2 May 2013
Date of Takeover Offer	16 May 2013
Takeover Offer Closes (unless otherwise extended)	5:00pm (WST) on 16 August 2013

All dates and times are subject to change and obtaining certain regulatory approvals.

KEY CONTACTS

Cauldron Energy Limited

32 Harrogate St
WEST LEEDERVILLE WA 6007
Phone: +61 8 9380 9555

Current Directors

Tony Sage – **Executive Chairman**
Brett Smith – **Executive Director**
Qiu Derong – **Non-Executive Director**

Company Secretary

Claire Tolcon

ASX Code: CXU

Website

www.cauldronenergy.com.au

Australian Solicitors to Cauldron

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

Share registrar for the Takeover Offer*

Advanced Share Registry
150 Stirling Hwy
NEDLANDS WA 6009
Phone: +61 8 9389 8033

* This entity has not been involved in the preparation of this Bidder's Statement and has not consented to being named in this Bidder's Statement. Its name is included for information purposes only.

CONTENTS

1. INVESTMENT OVERVIEW

The information in this Section is intended to provide an overview of Cauldron, the Takeover Offer that Cauldron is making for your Energia Shares and the risks you should consider.

The information in this Section 1 **is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.**

You should read this Bidder's Statement in its entirety and the separate target's statement which will be sent to you directly by Energia before deciding how to deal with your Energia Shares. The detailed terms of the Takeover Offer are set out in Annexure A.

The information in this Section 1 is set out by way of response to a series of questions. Cauldron believes this is the clearest way to provide the information. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other parts of this Bidder's Statement, including the Annexures that contain more information that you might find useful or relevant.

Part A of this Investment Overview deals with the Takeover Offer. **Part B** deals with Cauldron, its business and assets and Cauldron securities. **Part C** deals with risks relating to Cauldron, Energia, the Takeover Offer and the Merged Entity. **Part D** deals with other relevant questions.

If you have any questions about the Takeover Offer, please contact Cauldron on +61 8 9380 9555, or your professional financial advisor.

PART A – OVERVIEW OF THE OFFER

No.	Question	Answer	Further Information
1.	**What is Cauldron offering to buy?**	Cauldron is offering to buy all Energia Shares on the terms set out in this Bidder's Statement. You may only accept the Takeover Offer in respect of all the Energia Shares held by you.	Annexure A contains the full terms of the Takeover Offer and the Conditions. The answers to questions 3 to 5 in Part A and in Parts C and D explain other aspects of the Takeover Offer.
2.	**Is there an offer in respect of my Energia Options?**	Cauldron is not making an offer to holders of Energia Options. However, the Offer also extends to each person who, during the period from the Record Date until the end of the Offer Period, becomes registered as a holder of Energia Shares due to the conversion of, or exercise of rights conferred by Energia Options that are on issue at the Record Date and any person who becomes registered, or is entitled to be registered as the holder of Your Shares during the Offer Period.	
3.	**How long will the offer remain open?**	The Takeover Offer opens on **16 May 2013**. Unless withdrawn or extended in accordance with the Corporations Act, the Takeover Offer is scheduled to close at 5:00pm (WST) on **16 August 2013.**	

No.	Question	Answer	Further Information
4.	**What will you receive if you accept the Takeover Offer?**	If you accept the Takeover Offer, subject to satisfaction of the Conditions of the Takeover Offer, you will be issued **one (1) Cauldron Share for every eight (8) Energia Shares** held by you. If you accept the Takeover Offer and you are an Ineligible Foreign Shareholder, you will not be entitled to receive Cauldron Shares as consideration for your Energia Shares. In these circumstances, the Cauldron Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those Cauldron Shares and remit the sale proceeds (less any transaction costs) to you by cheque in Australian dollars. See Section 9.10 of this Bidder's Statement for further details.	Annexure A contains full terms of the Takeover Offer and the Conditions. The answer to question 9 in Part D summarises the Conditions.
5.	**What is the value of the Takeover Offer?**	The implied value of the offer is A$0.034 per Energia Share[1]. The value of the Takeover Offer may change as a consequence of changes in the market price of Cauldron Shares.	Section 9.6 of this Bidder's Statement provides further information in respect of the implied value of the Takeover Offer. The answers to questions 1 to 5 of Part A, Parts B and C of this Bidder's Statement contain more information about Cauldron, its business and assets and the risks that may apply to Cauldron. Section 2 of this Bidder's Statement contains the view of Cauldron as to why they think you should accept the Takeover Offer.

PART B – OVERVIEW OF CAULDRON

No.	Question	Answer	Further Information
1.	**Who is Cauldron?**	Cauldron is an Australian incorporated company listed on the Official List of the ASX (ASX Code: CXU). Please refer to Sections 3, 6, 8 and 9 of this Bidder's Statement for further information on Cauldron.	Sections 3, 6, 8 and 9 of this Bidder's Statement contain more information about Cauldron's assets, financial position, details of Cauldron securities currently on issue and the risks that may apply to Cauldron.
2.	**Will my new**	Within 7 days of the date of this	Section 3.12 of this Bidder's

[1] Based on the closing share price of Cauldron Shares of $0.27 on 14 March 2013, the last trading day prior to the Announcement Date. As the consideration offered comprises Cauldron Shares, the value of the consideration will vary with the market price of Cauldron Shares.

No.	Question	Answer	Further Information
	Cauldron Shares be listed on ASX?	Bidder's Statement, Cauldron will apply to ASX for quotation of the new Cauldron Shares on ASX. Quotation of the new Cauldron Shares depends on ASX exercising its discretion to admit them to quotation on ASX. Cauldron is already admitted to the Official List of ASX and Cauldron Shares in the same class as the new Cauldron Shares are already quoted.	Statement contains more information in relation to the admission of the Cauldron Shares to the Official List of ASX.
3.	**What rights and liabilities will attach to my new Cauldron Shares?**	The new Cauldron Shares issued under the Takeover Offer will be issued fully paid and will from the time of issue rank equally with existing Cauldron Shares.	Section 3.13 of this Bidder's Statement contains more information about the rights and liabilities attaching to Cauldron Shares.
4.	**Who are the Cauldron Directors and what experience do they have?**	The Directors of Cauldron are: (a) Mr Tony Sage – Executive Chairman; (b) Mr Brett Smith – Executive Director; and (c) Mr Qiu Derong – Non-Executive Director.	Section 3.3 of this Bidder's Statement contains further information in relation to the expertise of the Cauldron Directors.
5.	**Do the current Directors of Cauldron have any potential conflicts of interest in relation to the Offer or Energia?**	None of the current Cauldron Directors have an interest in Energia securities.	Sections 9.6 and 9.7 of this Bidder's Statement contain further information in relation to the Takeover Offer and the shareholdings Cauldron Directors have in Energia.
6.	**Do the Cauldron Directors and management have any interest in Cauldron securities?**	The directors currently have the following interests in Cauldron securities: (a) Tony Sage has an interest in 5,894,600 Cauldron Shares; (b) Brett Smith has an interest in 11,844 Cauldron Shares; and (c) Qiu Derong has an interest in 41,900,000 Cauldron Shares.	See Section 9.7 of this Bidder's Statement for further information.

PART C – OVERVIEW OF RISKS

No.	Question	Answer	Further information
1.	**Are there risks if I accept the Takeover Offer?**	Yes, if you accept the Takeover Offer, and it becomes unconditional, you will be issued new Cauldron Shares and Cauldron will acquire your interest in Energia. There are risks in holding Cauldron Shares. The financial and operational performance of Cauldron's business, and the value and trading prices for Cauldron Shares will be influenced by a range of risks. Many of these risks are beyond the control of Cauldron's Board and management. Section 8 of this Bidder's Statement provides a detailed explanation of these risks. Specifically it deals with: (a) risks relating to the Takeover Offer; and (b) risks that relate to Cauldron and Energia as the Merged Entity.	See Section 8 of this Bidder's Statement which contains further details in respect of each of the risks.

PART D – OTHER RELEVANT QUESTIONS

No.	Question	Answer	Further information
1.	**Can the Offer Period be extended?**	The Offer Period can be extended at Cauldron's election, up to a maximum Offer Period of 12 months. Energia Shareholders will be sent written notice in the mail of any extension, and the extension will be announced to ASX.	
2.	**What choices do I have as an Energia Shareholder?**	As an Energia Shareholder, you have the following choices in respect of your Energia Shares: (a) accept the Takeover Offer; (b) sell your Energia Shares; or (c) do nothing.	
3.	**How do I accept the Takeover Offer?**	**For Issuer Sponsored Holdings of Energia Shares** To accept the Takeover Offer, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form. **For CHESS Holdings of Energia Shares** To accept the Takeover Offer, you should: (a) contact your Controlling Participant (usually your broker) and instruct them to	See your Acceptance Form **enclosed** with this Bidder's Statement and Annexure A for further information.

No.	Question	Answer	Further information
		accept the offer; or (b) follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form.	
4.	**Can I accept the Takeover Offer for part of my holding?**	No, you must accept the Takeover Offer for all of your holding.	
5.	**If I accept the Takeover Offer can I withdraw my acceptance?**	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Takeover Offer, Cauldron varies the Takeover Offer in a way that postpones for more than 1 month the time that Cauldron has to meet its obligations under the Takeover Offer (for example, if Cauldron extends the Takeover Offer for more than 1 month while the Takeover Offer remains subject to any of the Conditions).	Annexure A of this Bidder's Statement contains more information as to the limited circumstances in which you may be able to withdraw your acceptance.
6.	**When will you receive your consideration?**	If you accept the Takeover Offer and the Takeover Offer is declared unconditional, Cauldron will issue you Cauldron Shares as consideration for your Energia Shares on or before the earlier of: (a) 1 month after you have validly accepted the Takeover Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and (b) 21 days after the end of the Offer Period, provided that the Takeover Offer has become unconditional. If you accept the Takeover Offer and you are an Ineligible Foreign Shareholder, you will not be entitled to receive Cauldron Shares as consideration for Energia Shares held by you pursuant to the Takeover Offer. In these circumstances, the Cauldron Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those Cauldron Shares and remit the proceeds (less transaction costs) of such sale to you by cheque in Australian dollars.	Annexure A of this Bidder's Statement contains more information as to when your new Cauldron Shares will be issued to you.

No.	Question	Answer	Further information
7.	**Will I need to pay any transaction costs if I accept the Takeover Offer?**	You will not incur any brokerage fees or be obliged to pay duty or GST in connection with your acceptance of the Takeover Offer.	Annexure A of this Bidder's Statement contains the full terms of the Takeover Offer and Conditions. See also the instructions on the Acceptance Form **enclosed** with this Bidder's Statement.
8.	**What happens if I do not accept the Takeover Offer?**	Subject to the explanation below, you will remain a shareholder of Energia and will not receive the Takeover Offer Consideration. If you do not accept the Takeover Offer and Cauldron acquires a Relevant Interest in at least 90% of Energia Shares and the other conditions of the Takeover Offer are satisfied or waived, Cauldron intends to proceed to compulsorily acquire the outstanding Energia Shares. You will be invited after the Takeover Offer closes to claim the Takeover Offer Consideration from Energia as trustee. Therefore, accepting the Takeover Offer will result in you receiving your Takeover Offer Consideration sooner if you accept the Takeover Offer, rather than having your Energia Shares compulsorily acquired. If the Takeover Offer becomes or is declared unconditional but Cauldron does not become entitled to compulsorily acquire your Energia Shares under the Corporations Act, unless you sell your Energia Shares, you will remain a shareholder in Energia. In these circumstances and, depending on the number of Energia Shares acquired by Cauldron, you may be a minority Energia Shareholder.	Section 6 of this Bidder's Statement provides more information regarding Cauldron's intentions if it acquires a Relevant Interest in at least 90% of the Energia Shares. Section 6 of this Bidder's Statement provides more information regarding Cauldron's intentions if it acquires a Relevant Interest in less than 90% of the Energia Shares.
9.	**Are there conditions to the Takeover Offer?**	The Takeover Offer is subject to the Conditions set out in Annexure A and include: (a) Cauldron acquiring an interest in at least 90% of all Energia Shares on issue at the end of the Offer Period; (b) that no 'prescribed occurrences occur'; and (c) no 'material adverse effect' occurs in relation to Energia.	Annexure A to this Bidder's Statement sets out the Conditions in full.

No.	Question	Answer	Further information
10.	**What if the Conditions are not satisfied or waived?**	If the Takeover Offer closes and the Conditions are not satisfied or waived, the Takeover Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Energia Shares (unless you otherwise sell them). Cauldron will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.	Annexure A to this Bidder's Statement sets out further information.
11.	**What happens if Cauldron improves the Takeover Offer Consideration?**	If Cauldron improves the Takeover Offer Consideration, all the Energia Shareholders who accept the Takeover Offer (whether or not they have accepted the Takeover Offer before or after such improvement) will be entitled to the benefit of the improved Takeover Offer Consideration, should the Takeover Offer become or be declared unconditional.	Annexure A to this Bidder's Statement sets out further information.
12.	**What are the tax implications of accepting the Takeover Offer?**	A general summary of the Australian tax consequences for Energia Shareholders who accept the Takeover Offer is set out in Section 7 of this Bidder's Statement. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Energia Shareholders should seek their own taxation advice in relation to the Takeover Offer.	Section 7 of this Bidder's Statement sets out further information.

2. WHY YOU SHOULD ACCEPT THE OFFER

Cauldron believes you should ACCEPT the Takeover Offer for the following reasons:

1. **The Takeover Offer provides a premium on Energia Shares as at the Announcement Date**
2. **The Merged Entity will hold a dominant land position in an emerging and potentially significant uranium province**
3. **No alternative proposal**
4. **Energia's Share price may fall if the Takeover Offer is not successful**
5. **The Merged Entity will have a strong board and management team that can deliver the strategy and growth going forward**
6. **Access to capital gains tax relief in Australia if Cauldron achieves ownership of more than 80% of the issued Energia Shares**
7. **No stamp duty or brokerage**
8. **Implications of remaining as a minority shareholder of Energia**

The above is only a headline summary of some of the reasons why you should accept the Takeover Offer. Each of the reasons is explained below.

If you wish to accept this Takeover Offer, you must return the signed Acceptance Form by 5:00pm (WST) on 16 August 2013.

Detailed reasons why you should ACCEPT the Takeover Offer

2.1 The Takeover Offer provides a premium on Energia Shares as at the Announcement Date

The Takeover Offer represents a 30% premium to the trading price of your Energia Shares based on the last closing price of Cauldron Shares and Energia Shares prior to the Announcement Date.

In addition, based on the last closing price of Cauldron Shares prior to the Announcement Date, the Takeover Offer represents:

(a) a 28% premium to the five day VWAP of Energia Shares to the Announcement Date; and

(b) a 19% premium to Energia's one month VWAP to the Announcement Date.

Due to recent share price fluctuations, based on the last closing price of Cauldron Shares prior to the date of this Bidder's Statement, the Takeover Offer represents a discount to the last closing price of Energia Shares prior to the date of this Bidder's Statement. The price of Cauldron Shares and Energia Shares may rise or fall during the Bid Period and Cauldron reserves the right to improve the consideration offered to Energia Shareholders in accordance with Section 650B of the Corporations Act.

Further information about the implied value of the Takeover Offer is set out in Section 9.6(b) of this Bidder's Statement.

2.2 The Merged Entity will hold a dominant land position in an emerging and potentially significant uranium province

The board of Cauldron believe that the synergies between the two companies are immense, not least that the Merged Entity would hold a contiguous tenement package with a strike of over 150km in a highly prospective uranium province in the Carnarvon Basin region of Western Australia.

Further the Board believes that the Company is on the verge of defining a major new uranium province in the Carnarvon Basin, and that both Cauldron and Energia have significant exploration and corporate synergies.

On 21 February 2013, Cauldron announced a significant Exploration Target[2] increase from 25 to 30 Mlbs to 30 to 115 Mlbs of U_3O_8 at a grade of 250 to 900ppm U_3O_8, at its Yanrey Project (**Yanrey Project**) in Western Australia. The significant upgrade in the Exploration Target[2] followed the recent 300% increase in the Inferred and Indicated uranium resource at Bennet Well from 4.8 Mlbs to 15.7 Mlbs (refer ASX announcement dated 7 February 2013).

Additionally, the Company's Yanrey Project is adjacent to Paladin Energy Ltd's Manyingee Deposit and Energia's Nyang Deposit. Nyang is situated along strike from the Yanrey Project and appears to reinforce Cauldron's model of uranium mineralisation as they share very similar geological settings. The Board believes that both projects could be amendable to an in-situ leaching process, which is a very efficient and low-cost method of uranium production.

Cauldron has identified a further 10 target areas within the Yanrey Project, many of which contain uranium mineralisation. Cauldron's Board expects these identified channels will lead to further discoveries which may be of sufficient metal tenor to justify additions to the current feasibility evaluations. The Board is of the opinion that by combining these companies a uranium-focused entity can be created that would hold a dominant land position in an emerging and potentially significant uranium province. The new company will have the financial, material and human resources to advance multiple uranium deposits towards development, in an environment suitable for low-cost and environmentally friendly in-situ leach mining methods.

2.3 No alternative proposal

The Takeover Offer is the only offer available for your Energia Shares as at the date of this Bidder's Statement. Cauldron is not aware of any other party intending to make an offer for Energia Shares which is superior to the Takeover Offer.

2.4 Energia's Share price may fall if the Takeover Offer is not successful

Cauldron believes that if the Takeover Offer does not succeed, and if there are subsequently no other alternative offers or proposals for Energia Shares, the trading price of Energia Shares may fall.

2.5 The Merged Entity will have a strong board and management team that can deliver the strategy and growth going forward

The Merged Entity will retain its current directors Mr Tony Sage, Brett Smith and Qiu Derong, further details of whom are included in section 3.3. There is scope for some of the

[2] The Exploration Target has yet to be fully drill tested and its potential quantity and grade is conceptual in nature. There has been insufficient exploration (ie. drilling) to define a mineral resource and it is uncertain if future exploration will result in the determination of a mineral resource.

experienced board members of Energia's Board to transfer to the Merged Entity to improve the depth and experience of the board of the Merged Entity.

The management team comprises Simon Youds, who has extensive project development experience in Australia and internationally, combined with uranium experience from 5 years at Olympic Dam, and Mark Couzens, who has geology experience at Beverly and Beverly Four Mile high grade in situ leach also known as In-situ Recovery (ISR) deposits. Their technical expertise has underpinned the outstanding growth in Cauldron's resources with over 50% of holes drilled in the recent program intersecting economic level of uranium.

Cauldron is currently under negotiation with an established contractor to obtain the required personnel and resources to establish and obtain the approvals and project processes for its Yanrey Project. The recent Federal government approval for Toro Energy to proceed with uranium production makes Western Australian uranium assets feasible.

Cauldron's belief in the potential for low cost uranium production from the Canarvon Basin, using non-invasive environmentally beneficial techniques, is the underlying value driver in this consolidation acquisition. With South Australian ISR experience in uranium production approvals and project development combined with a favorable regulatory environment for Western Australian uranium production, Cauldron's management team is now positioned to progress the combined entity's assets towards production.

Combining Cauldron's and Energia's Carnarvon Basin uranium assets has the potential to provide the critical mass and pipeline of projects required to achieve both entities' goal of becoming a uranium producer. The growth from a junior explorer to a production company would result in a production premium and re-rating of the stock. Shareholders would benefit further from the Merged Entity having a dominant position in one of the most promising emerging uranium regions in a stable country with established Federal commitments and commercial ties to growth markets for uranium.

2.6 The Merged Entity has access to funding in a difficult funding environment

Cauldron has a very tight share register combined with experienced major shareholders on its register who both have access to direct funding from Asian growth markets and experience in developing projects from resource through to production. China's nuclear industry is growing faster than any other country. The issues related to thermal coal power production have ensured that the continued Chinese growth rests on the success of the nuclear power industry growth using the new generation technology to supply the critical power required. The approaching shortfall in Uranium supply ensures that Chinese interest and funding for near term low cost production in a politically stable region such as Australia is a high priority. Cauldron believes that it has direct access to these decision makers and funding through its unique shareholder and Board composition.

Additionally, the Federal Government has recently proposed to supply uranium to India which also has significant growth planned for its nuclear power generation.

2.7 Benefits from synergies in feasibility evaluation

The Board believes that the Merged Entity will benefit from enhanced project feasibility evaluation as a result of combining the resources of Cauldron and Energia. Cauldron intends to initiate a scoping study for its Yanrey projects as the Board believes in the inevitable growth of resources based on the recent exploration target size upgrade. The addition of Energia's resource will allow the Merged Entity to progress its projects towards uranium production faster as it will have additional resources to provide the scale required to initiate feasibility study.

2.8 Access to capital gains tax relief in Australia if Cauldron achieves ownership of more than 80% of the issued Energia Shares

Provided Cauldron achieves ownership of more than 80% of the issued Energia Shares, eligible Energia Shareholders may be entitled to rollover relief from capital gains tax on the consideration they receive under the Offer. However, Energia Shareholders may be subject to capital gains tax as a result of a later taxable event (such as a disposal) happening to the Cauldron Shares received as consideration under the Takeover Offer. Please refer to Section 7 of this Bidder's Statement for more information. You should consult a qualified tax adviser for further taxation advice.

2.9 No stamp duty or brokerage

Except in relation to Ineligible Foreign Shareholders, there will be no brokerage or Australian stamp duty payable by you in respect of the sale of your Energia Shares to Cauldron. CHESS holders should check with their controlling participant to confirm if fees will be charged for administering acceptances.

2.10 Implications of remaining as a minority shareholder of Energia

You will be/remain a minority shareholder in Energia, in circumstances where:

(a) Cauldron receives acceptances under the Takeover Offer for some but not all Energia Shares on issue at the end of the Offer Period resulting in Cauldron holding less than a 90% relevant interest in the voting shares of Energia;

(b) the Offer Period closes and the Takeover Offer is unconditional at the time; and

(c) you do not accept the Takeover Offer in respect of your Energia Shares.

In the above circumstances, the market for Energia Shares may become less liquid or active affecting your ability to dispose of your Energia Shares should you wish to do so.

3. PROFILE OF CAULDRON ENERGY LIMITED

3.1 Overview of Cauldron

Cauldron Energy Limited is a uranium focused company which was created as a product of a merger in June 2009 between two Australian exploration juniors with highly complementary exploration profiles (Scimitar Resources Limited and Jackson Minerals Limited). The merger resulted in a larger, more progressive resource company with an increased global presence and asset base, well positioned to take advantage of the financial markets in Australia, Asia and North America.

The Company controls an impressive suite of uranium projects that are diversified in terms both of development and location.

3.2 Corporate Information

The Company is a public company limited by shares and was registered on 21 November 2002 in Western Australia. It was admitted to the Official List on 28 January 2005.

3.3 Directors of Cauldron

Details of the responsibilities and experience of the Directors (as at the date of this Bidder's Statement) are set out in Cauldron's 2012 Annual Financial Report, a copy of which is available on request or from Cauldron's website www.cauldronenergy.com.au.

A summary of the Cauldron Board, as at the date of this Bidder's Statement, is set out below.

Mr Tony Sage – Executive Chairman

Mr Tony Sage has more than 25 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and was formerly a successful funds manager with Growth Equities Mutual for 13 years. In the past 12 years he has been involved in the management and financing of several listed exploration and mining companies. Mr Sage is currently a director of ASX-listed companies Cape Lambert Resources Ltd, International Goldfields Ltd, FE Ltd, Kupang Resources Ltd, Global Strategic Resources NL and Matrix Metals Ltd and is a director of NSX listed companies African Petroleum Corporation Limited and International Petroleum Limited.

As at the date of this Bidder's Statement, Mr Sage is not a nominee or a representative of a substantial Shareholder in the Company. However, Mr Sage is the executive chairman of Cape Lambert Resources Limited, which is a substantial Shareholder in the Company, holding approximately 21% of the Company.

Mr Brett Smith – Executive Director

Mr Smith has acquired over 20 years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition for mining operations. He is currently Chairman of Australian junior energy company, Blackham Resources Ltd. Mr Smith is an Executive Director and is primarily responsible for Cauldron's strategic move into Argentina.

As at the date of this Bidder's Statement, Mr Smith is not a nominee or a representative of a substantial Shareholder in the Company.

Mr Qiu Derong – Non-Executive Director

Mr Qiu is a highly experienced industrialist with over 25 years' experience in the architecture, construction, and real estate industries in China; he also has over 15 years of experience in the management of enterprises and projects. Mr Qiu has also successfully invested in a range of projects and companies with exploration and mining assets throughout China. Mr Qiu is currently the Executive Chairman of Shanghai Yizhao

Investment Group Co Ltd, Tianjin Yizhao Investment Group Co Ltd, and Panda Investment LLC (USA).

As at the date of this Bidder's Statement, Mr Derong is a substantial Shareholder in the Company, holding approximately 26.25% of the Company.

3.4 Overview of Cauldron's Projects

This Section contains a summary of Cauldron's activities in respect of its current projects. Further information can be found on Cauldron's website, www.cauldronenergy.com.au.

3.4.1 Yanrey Project

The Yanrey Project is the main focus of exploration for Cauldron. To date, Cauldron has identified an Inferred and Indicated uranium oxide resource of 15.7 Mlbs. The uranium is located along redox fronts within numerous palaeochannels sourced from hot granites. In the Company's view, the Yanrey Project, which is adjacent to Paladin Resources Ltd's Manyingee Deposit (24 Mlbs U_3O_8), and Energia Minerals Ltd's Carley Bore Deposit (Inferred resource of 16.7 Mlbs U_3O_8) is developing into a regionally, if not globally, significant uranium project with the potential to be a major uranium mining centre.

The Company has released a significant Exploration Target[3] increase for the Yanrey Project from 30 to 115 Mlbs of U_3O_8 at a grade of 250 to 900ppm U_3O_8 (refer ASX Announcement dated 21 February 2013). In the area explored by Cauldron, there are at least fifteen favourable palaeochannels targets, including extensions to the Paladin Energy Ltd owned Manyingee and Spinifex deposits where Cauldron owns the surrounding tenements. In addition to these targets, the Company believes it has over 150 km^2 of untested prime target areas, which are favourable for uranium mineralisation.

Cauldron is seeking to acquire Energia to bring the current Yanrey Inferred and Indicated resource up to 32.4 Mlbs U_3O_8 and control 95% of this emerging and potentially global low cost uranium rich area. The Board believes that combining the companies will enable faster progression of the project towards production, benefitting both groups of shareholders.

Cauldron aims to have completed the pre-feasibility study for Yanrey ISR uranium production within the next 12 months, leading into a feasibility study, and to have commissioned construction on a production unit within the next three years.

3.4.2 Marree Project

The Marree Project located at the northern edge of the Flinders Ranges is prospective for both uranium and base metal mineralisation.

The Marree Project was fully funded by a joint venture agreement between Cauldron and a Korean consortium involving the Korean Government (**KORES**), Daewoo International Corporation and LG International Corporation for the last 3 years. Pursuant to the terms of the joint venture agreement, the Korean participants earned an aggregate 40 percent interest in the Marree Project by funding $4.9m over three years. The sole funding period has now ended, and the Korean participants and Cauldron must contribute to expenditure on a 60:40 basis.

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[3] The Exploration Target has yet to be fully drill tested and its potential quantity and grade is conceptual in nature. There has been insufficient exploration (ie. drilling) to define a mineral resource and it is uncertain if future exploration will result in the determination of a mineral resource.

Early exploration by Cauldron has been focused on identifying potential roll-front style uranium deposits such as the nearby Beverley Four-Mile deposit and the Beverley Uranium Mine. Significant uranium mineralisation has been identified in palaeochannels of the same age highlighting the exploration potential of this project.

Recent exploration has been primarily focused on significant base metal mineralisation identified on the project area. The extensive metal anomalies at surface and in drill holes suggest the existence of deposits similar to the three styles of outcropping mineralisation already mined on or near the Marree Project tenements. The level of metal anomalism in the surface cover enhances the potential for further mineralisation beyond those already mined last century. Further significant breccia style massive sulphide deposits could exist in the project area, and the Company is assessing the area using modern geophysical techniques in addition to the review of extensive anomalism recorded in the available data. Cauldron is currently in the process of completing a reprocessing of historical Induced Polarisation (IP) data to identify drill targets as well as completing further geological mapping and sampling to further understand this exciting area.

The long-term aim of the base metal exploration at the Marree Project is to identify an economic sized base metal deposit which will be divested with Cauldron being free carried into production to fund uranium exploration in both Australia and Argentina.

3.4.3 Argentina

Cauldron currently has four main project areas in Argentina. The primary focus for Cauldron is the uranium potential of these projects. Cauldron currently controls areas with several historical uranium mines including the Los Colorados Uranium Mine. The Company holds a number of exploration prospects both historical and recent where significant uranium mineralisation has been identified. Cauldron is currently a well positioned uranium explorer in Argentina, and its long-term aim is to develop its uranium assets to production and supply uranium to the Argentine power generation market. Currently 100% of uranium used in Argentina is imported.

Cauldron also has significant base metal mineralisation with the highlight being the Rio Colorado Prospect where early reconnaissance has identified significant copper and silver mineralisation with sub economic levels of other metals as by-products along a 16 km strike length. The ability to demonstrate the true value of this deposit is a potential company maker for Cauldron based on the indicative vaules from costean information along the extensive outcropping strike of this mineralisation.

Cauldron has identified a number of gold and base metal prospects that have been lower in priority due to their early project status. Cauldron's strategy in relation to these base metal prospects is to advance them to a stage where they may be divested to maximize value to shareholders. This allows Cauldron to maintain focus on its core undertaking, which is the exploration and development of its uranium projects with a view to production and supply to the nuclear power industry.

3.4.4 Further Information

Cauldron is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Cauldron is subject to the ASX Listing Rules which require continuous disclosure of any information Cauldron has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Cauldron's file is available for inspection at ASX during normal business hours.

Cauldron is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Cauldron may be obtained from, or inspected at, an ASIC office.

On request to Cauldron and free of charge, Energia Shareholders may obtain a copy of:

(a) the annual financial report of Cauldron for the year ended 30 June 2012 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);

(b) any half-year financial report lodged with ASIC by Cauldron after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and

(c) any continuous disclosure notice given to ASX by Cauldron since the lodgement with ASIC of the 2012 annual report for Cauldron referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements the Company has lodged with ASX since 1 July 2012 is set out in Annexure B to this Bidder's Statement.

A substantial amount of information about Cauldron is available in electronic form from www.cauldronenergy.com.au and on the ASX website.

3.5 Competent Person

The information in this Bidder's Statement that relates to Cauldron's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brett Smith, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smith is an employee of Cauldron. Mr Smith has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the Bidder's Statement of the matters based on his information, in the form and context in which it appears.

3.6 Capital structure

The effect of the Takeover Offer on the capital structure of Cauldron as at the date of this Bidder's Statement is as follows:

Securities	Number
Shares	
Current Cauldron Shares (assuming no options are exercised or other shares issued)[1]	159,622,605
Cauldron Shares issued pursuant to the Takeover Offer [2]	22,036,876
TOTAL	**181,659,481**
Options	
Unlisted Options exercisable at $0.45 on or before 20 October 2015	500,000
Unlisted Options exercisable at $0.20 on or before 30 June 2014	2,800,000
Unlisted Options exercisable at $0.20 on or before 18 September 2015	1,000,000
TOTAL	**4,300,000**

Notes

1. The rights attaching to the Cauldron Shares are summarised in Section 3.13 of this Bidder's Statement and based on Cauldron's Constitution.
2. Assuming a 100% take up under the Takeover Offer.

3.7 Financial Performance

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Cauldron on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of Cauldron for the financial period described below, which includes the notes to the financial accounts, are available in Cauldron's annual reports for the years ending 30 June 2010, 30 June 2011 and 30 June 2012. Copies of these annual reports are available at www.cauldronenergy.com.au and also the ASX website.

(b) **Historical Financial Information of Cauldron**

(i) **Statement of Financial Position**

The historical statements of financial position of Cauldron are set out below and have been extracted from the audited statements of financial position for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

(ii) **Statement of Comprehensive Income**

The historical statements of comprehensive income of Cauldron, are set out below and have been extracted from the audited statement of comprehensive income for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

(iii) **Basis of Preparation**

The historical financial statements of Cauldron are consolidated for the financial years ended 30 June 2010, 30 June 2011 and 30 June 2012.

3.8 Cauldron Consolidated Statement of Financial Position

	30-Jun-12	30-Jun-11	30-Jun-10
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	2,927,111	968,307	5,131,039
Trade and other receivables	145,789	516,272	1,141,761
Financial assets	2,660,302	1,768,003	1,510,942
Loan receivables	-	-	1,750,000
TOTAL CURRENT ASSETS	5,733,202	3,252,582	9,533,742
NON CURRENT ASSETS			
Restricted cash	221,592	302,352	-
Loan receivables	996,010	365,068	21,153
Exploration and evaluation expenditure	9,332,498	10,112,253	12,182,269
Property, plant and equipment	36,290	59,540	118,117
Investment in associate	-	2,600,000	-
TOTAL NON CURRENT ASSETS	10,586,390	13,439,213	12,321,539
TOTAL ASSETS	**16,319,592**	**16,691,795**	**21,855,281**
CURRENT LIABILITIES			
Trade and other payables	900,643	1,454,312	965,996
Financial liabilities	11,300,000	2,000,000	-
Provisions	15,071	37,485	120,495
TOTAL CURRENT LIABILITIES	12,215,714	3,491,797	1,086,491
NON CURRENT LIABILITIES			
Financial liabilities	-	9,300,000	9,300,000
TOTAL NON CURRENT LIABILITIES	-	9,300,000	9,300,000
TOTAL LIABILITIES	**12,215,714**	**12,791,797**	**10,386,491**
NET ASSETS	**4,103,878**	**3,899,998**	**11,468,790**
EQUITY			
Issued capital	23,593,625	22,900,125	22,821,199
Reserves	1,367,352	1,476,235	1,789,797
Accumulated losses	(20,857,099)	(20,476,362)	(13,142,206)
TOTAL EQUITY	**4,103,878**	**3,899,998**	**11,468,790**

3.9 Cauldron Consolidated Statement of Comprehensive Income

	30-Jun-12	30-Jun-11	30-Jun-10
	$	$	$
Revenue	224,514	420,162	316,590
Other income	3,729,412	3,675,718	9,601
Administration expenses	(390,846)	(403,444)	(494,131)
Employee benefits expenses	(239,477)	(509,641)	(482,498)
Directors fees	(229,003)	(382,575)	(330,076)
Share based payments	(14,205)	(59,702)	(1,168,489)
Compliance and regulatory expenses	(134,236)	(142,818)	(348,700)
Consultancy expenses	(475,261)	(750,839)	(247,105)
Exploration costs expensed as incurred	-	-	(77,346)
Occupancy expenses	(73,136)	(233,410)	(248,736)
Travel expenses	(84,783)	(133,361)	(125,466)
Net fair value (loss)/gain on financial assets	(1,586,216)	(568,303)	11,807
Profit/(loss) on disposal of financial assets	72,632	(130,630)	-
Depreciation	(21,230)	(41,601)	(54,261)
Finance costs	(1,130,906)	(984,448)	(745,127)
Realised foreign exchange gain/(loss)	(21,731)	12,686	-
Impairment of associate	-	(2,600,000)	-
Impairment of receivables	-	(17,439)	(54,693)
Impairment of loan receivable	-	(1,427,759)	(393,808)
Impairment of plant and equipment	(6,265)	(20,352)	-
Impairment of exploration expenditure	-	(3,036,400)	(662,029)
Loss before income tax expense	(380,737)	(7,334,156)	(5,094,467)
Income tax expense	-		
Loss for the year from continuing operations	(380,737)	(7,334,156)	(5,094,467)
Discontinued operations			
Loss from discontinued operations	-	-	(2,399,854)
Income tax expense	-	-	-
Net loss for theyear	**(380,737)**	**(7,334,156)**	**(7,494,321)**
Other comprehensive income:			
Exchange differences arising on translation of foreign operations	(123,088)	(461,989)	(180,068)
Other comprehensive income for the year after income tax	(123,088)	(461,989)	(180,068)
Total comprehensive income attributable to members of the Company	**(503,825)**	**(7,796,145)**	**(7,674,389)**
Earnings/(loss) per share			
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)	(0.40)	(8.26)	(9.19)
Diluted earnings/(loss) per share (cents)	(0.40)	(8.26)	(9.19)

(a) **Management Commentary on Historical Results**

(i) **(Revenue):**

The primary source of revenue relates to interest and administration fees received.

In the year ended 30 June 2012, Cauldron recognised a gain on sale of exploration assets of $3,155,575. In addition a reversal of provision for non-recovery of loans for $573,837 was also recognised. These items are reflected in other income.

In the year ended 30 June 2011, Cauldron recognised a gain on sale of exploration assets of $3,675,718, reflected in other income.

(ii) **(Expenditure):**

The primary source of expenditure relates to overhead costs associated with Cauldron's Australian and Argentinian operations. Finance costs of $1,130,906 in the year ended 30 June 2012 (2011: $568,303; 2010: 745,127) relates to interest paid in respect of Cauldron's convertible loan notes (which were converted to Shares in August 2012).

The Statement of Comprehensive Income also includes significant non-cash expenses, which are summarised below.

In the year ended 30 June 2012 Cauldron recognised a net fair value loss of $1,586,216 in relation to its available for sale financial assets, namely investments in listed entities (2011: $568,303).

In the year ended 30 June 2011, Cauldron recognised an impairment expense of $2,600,000 in relation to its investment in an associate, as a result of a decline in the share price of the associate.

Other impairment expenses totalling $4,501,950 were recognised in the year ended 30 June 2011. Of this, $3,036,400 (2011: 662,029) related to exploration expenditure written off and $1,427,759 (2011: $393,808) related to the impairment of a loan receivable from an unrelated third party.

(iii) **(Assets):**

The most significant asset of Cauldron is exploration and evaluation expenditure with a book value of $9,332,498 at 30 June 2012 (2011: $10,112,253; 2010: 12,185,269).

Other significant assets relate to investments in other entities (financial assets and investment in associate) with a market value of $2,660,302 at 30 June 2012 (2011: $4,368,003; 2010: $1,510,942).

(iv) **(Liabilities):**

The most significant liability relates to convertible loan note funding for $11,300,000 at 30 June 2012 (2011: $11,300,000; 2010: $9,300,000). On 2 August 2012, Cauldron announced that all holders of the convertible notes elected to convert their notes into Shares in Cauldron. The notes were converted into shares a deemed issue price of $0.20 per share and 58,829,452 shares were issued as a result.

(b) **Forecast Information**

Cauldron's future financial performance is dependent on a range of factors, many of which are beyond Cauldron's control. Accordingly, Cauldron's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on Cauldron's financial performance from its financial reports. Copies of these reports are available from Cauldron's website www.cauldronenergy.com.au.

(c) **Material changes in Cauldron's financial net asset position since last published accounts**

From 30 June 2012 (being the date of the accounts in the last Annual Report) to 31 December 2012, the net asset position of Cauldron has increased from $4,103,878 to $13,398,941 as a result of the following changes:

(i) Conversion of convertible notes

In August 2012, 100% of the convertible notes in Cauldron, totalling $11,300,000, were converted into Shares in the Company. The convertible notes were converted at a deemed issue price of $0.20 per Share, which represented an 81% premium to the closing price of the Shares at the time of conversion of $0.11 per Share.

(ii) Underwriting and exercise of listed options

In October 2012, Cauldron entered into an agreement with Barclay Wells Limited to partially underwrite the exercise of the outstanding listed options in the Company, to $832,500. The underwriting and the exercise of listed options generated $1,989,281 cash proceeds (net of fees).

(iii) Exploration and evaluation expenditure

An impairment expense of $1,667,875 was recognised following a decision not to continue exploration in certain areas with the Northern Territory and South Australia.

(iv) Financial assets

A net fair value loss on financial assets of $1,664,068 was recognised as a result of decline in the market share price of Cauldron's financial assets (investments in listed entities).

3.10 Corporate Governance

The Cauldron Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations with 2010 amendments.

Details on Cauldron's corporate governance procedures, policies and practices can be obtained from page 15 of Cauldron's annual report to shareholders for the financial year ending 30 June 2012 and also at www.cauldronenergy.com.au.

3.11 Recent Performance of Cauldron Shares

Set out below is a table showing relevant trading prices of Cauldron Shares on ASX:

Comparative trading period	Price of Cauldron Shares
Highest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	$0.460
Lowest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	$0.130
Closing trading price on ASX on the last trading day before the date Cauldron announced the Takeover Offer	$0.270
Last available closing sale price of Cauldron Shares (as at 1 May 2013) on ASX prior to the date this Bidder's Statement was lodged with ASIC	$0.130
One month volume weighted average price of Cauldron Shares before the Announcement Date	$0.157

3.12 Admission of Takeover Offer Consideration

Cauldron Shares are admitted to trading on the Official List of ASX. Cauldron will lodge an application for admission to quotation of the shares comprising the Takeover Offer Consideration to trading on ASX. Quotation will not be automatic and will depend upon ASX exercising its discretion. Nothing in this Bidder's Statement is to be taken to state or imply that the Cauldron Shares issued as Takeover Offer Consideration will be quoted on ASX. However, quotation is expected in the ordinary course as Cauldron is already admitted to the Official List of ASX.

As Cauldron is listed on ASX, Cauldron's actions and activities are subject to the ASX Listing Rules.

3.13 Rights and Liabilities of Cauldron Shares

The Cauldron Shares offered to Energia Shareholders under the Takeover Offer are fully paid ordinary shares in the capital of Cauldron, and from the date of their issue will rank equally with existing Cauldron Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Cauldron Shares are governed by the Constitution of Cauldron, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Constitution of Cauldron has effect as a contract between Cauldron and each member and between a member of Cauldron and each other member. Accordingly, if you accept Cauldron Shares as consideration you will, as a result, become liable to comply with the Constitution of Cauldron.

Set out below is a summary of the significant rights and liabilities attaching to Cauldron Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders of Cauldron. Energia Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

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

3.14 Rights Attaching to Cauldron Shares

The rights, privileges and restrictions attaching to Cauldron Shares can be summarised as follows:

Heading	Description of the right or liability
Voting rights	Subject to any rights or restrictions attached to any class of shares, whether by their issue, the Constitution, the Listing Rules or the Corporations Act, at a general meeting each shareholder present in person or by proxy, company representative or attorney, is entitled to one vote on a show of hands. Upon a poll, every shareholder present in person or by proxy, company representative or attorney, is entitled to one vote for each fully paid share that the shareholder holds.
General meeting and notices	Each shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each shareholder is entitled to receive all notices, accounts and other documents required to be furnished to shareholders under the constitution of the Company, the Listing Rules or the Corporations Act.
Dividend Rights	The Company may in general meeting declare a dividend which shall not exceed the amount recommended by Directors. Dividends are payable in proportion to the number of Shares held by shareholders. The Company does not expect to pay dividends in the short to medium term.
Variation of class rights	The Company may only modify or vary the rights attaching to any class of shares by a special resolution of the Company and a special resolution passed at a meeting of the holders of the issued shares of that class.
Further issue of Cauldron Shares and Cauldron Options	Subject to the Corporations Act, the constitution of the Company and the Listing Rules, the Directors may consolidate, or divide the shares, allot, issue or otherwise dispose of new shares on such terms and conditions as they determine. In addition, the Board has power to issue Cauldron Options on such terms and conditions as the Directors shall, in their absolute discretion, determine.
Transfer of Cauldron Shares	Subject to the constitution of the Company, the Corporations Act, the ASIC Settlement Operating Rules and the Listing Rules, shares are freely transferable. Shares may only be transferred by a proper instrument in writing delivered to the Company, and the transferor is deemed to remain the holder of the shares until the name of the transferee is entered into the Company's register of members. The Company may decline to register a transfer where permitted by law, the Listing Rules or the ASIC Settlement Operating Rules.
Winding up	Subject to the rights of holders of shares with special rights in a winding up, on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid up.

3.15 Cauldron Options

Cauldron has granted 4,300,000 Cauldron Options, which are not listed on the ASX. Each Cauldron Option entitles the holder to subscribe for one Cauldron Share at the respective exercise prices and at any time prior to the corresponding expiry dates set out in Section 3.6 of this Bidder's Statement.

3.16 Shareholders of Cauldron

As at 1 May 2013 the top 20 Shareholders of Cauldron were:

Rank	Cauldron Shareholder	Number of Cauldron Shares	% of Cauldron issued share capital
1	Mr Derong Qiu & Mr Dekang Qiu	41,900,000	26.25%
2	Dempsey Resources Pty Ltd	33,599,049	21.05%
3	Kouta Bay Pty Ltd <The Houndy Family A/C>	4,687,239	2.94%
4	Mr Michael Hoay-Chew Lim & Mrs Catherin Mae Lim	3,750,000	2.35%
5	Okewood Pty Ltd	3,300,000	2.07%
6	Lanoti Pty Ltd	3,251,123	2.04%
7	Mr Antony William Paul Sage	2,594,600	1.62%
8	Canifare Pty Ltd	1,917,450	1.20%
9	Mrs Barbara Kay Alessi	1,132,610	0.71%
10	Sams Watchmaker Pty Ltd <Super Fund A/C>	1,130,019	0.71%
11	Raass Pty Ltd <RA Super Fund A/C>	1,129,325	0.71%
12	Citicorp Nominees Pty Ltd	1,047,036	0.66%
13	Sharic Superannuation Pty Ltd <The Farris Superfund A/C>	1,040,000	0.65%
14	Mr Andre Kunz & Mrs Grace Kunz	914,339	0.57%
15	Australian Capital Markets Pty Ltd	850,000	0.53%
16	Mr Gregory John Loughridge & Mrs Kathryn Linda Loughridge <Talisman S/F A/C>	850,000	0.53%
17	Redmont Resources Pty ltd <Civmec Self Mgd Super A/C>	820,000	0.51%
18	Mr Peter Pinto	773,876	0.48%
19	Agens Pty Ltd <The Mark Collins S/F A/C>	720,000	0.45%
20	Mrs Lata Iyer	700,000	0.44%

The top 20 holders of ordinary fully paid shares hold 106,106,666 shares in Cauldron, representing approximately 66.47% of Cauldron.

The Directors of Cauldron currently have a relevant interest in 47,806,444 Cauldron Shares, being approximately 30% of the total number of Cauldron Shares on issue. The individual relevant interests held by each Director are as set out in Section 9.7.

3.17 Dividend History

Cauldron has not previously and does not currently pay dividends.

4. PROFILE OF ENERGIA MINERALS LIMITED

4.1 Disclaimer

This overview of Energia and all financial information concerning Energia contained in this Bidder's Statement has been prepared by the Company using publicly available information.

The information in this Bidder's Statement concerning Energia has not been independently verified. The Company does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Energia is not considered to be comprehensive.

4.2 Overview of Energia Minerals Limited

Energia is an Australian based publicly listed company, which currently holds over 5,500km² of highly prospective tenements in both Australia and Italy which are all 100% company owned.

Since listing in December 2009 Energia has focused on advancing its flagship project, the Carley Bore uranium deposit, located in Carnarvon Western Australia. Another project area for Energia is the Patterson Province in Western Australia, adjacent to the Kintyre Deposit.

4.3 Energia Board of Directors

As at the date of this Bidder's Statement, the directors of Energia are:

(a) Mr Tony Iannello - Non Executive Chairman;

(b) Mr Kim Robinson - Managing Director;

(c) Mr Max Cozijn - Non Executive Director;

(d) Mr Bryn Jones - Non Executive Director; and

(e) Mr Ian Walker - Non Executive Director.

4.4 Information about Energia Securities

According to documents provided by Energia to ASIC and ASX, as at the date of this Bidder's Statement, Energia's issued securities consisted of:

(a) 176,295,008 fully paid ordinary shares;

(b) 5,500,000 unlisted options exercisable at $0.225 per ordinary share, expiry 8 July 2015;

(c) 5,000,000 unlisted options exercisable at $0.25 per ordinary share, expiry 26 October 2014;

(d) 250,000 unlisted options exercisable at $0.25 per ordinary share, expiry 3 March 2015;

(e) 2,500,000 unlisted options exercisable at $0.30 per ordinary share, expiry 26 October 2014;

(f) 5,000,000 unlisted options exercisable at $0.30 per ordinary share, expiry 24 June 2015;

(g) 250,000 unlisted options, exercisable at $0.30 per ordinary share, expiry 3 March 2015;

(h) 400,000 unlisted options exercisable at $0.30 per ordinary share, expiry 30 June 2015;

(i) 1,250,000 unlisted options exercisable at $0.15 per ordinary share, expiry 30 June 2015;

(j) 4,000,000 unlisted options exercisable at $0.10 per ordinary share, expiry 30 April 2017;

(k) 4,000,000 unlisted options vested 30 April 2013, exercisable at $0.20 per ordinary share, expiry 30 April 2017; and

(l) 4,000,000 unlisted options vesting 30 April 2014, exercisable at $0.30 per ordinary share, expiry 30 April 2017.

4.5 Substantial Shareholders

As at 8 October 2012, a reported in the 2012 Annual Report, the 20 largest shareholders in Energia were:

Rank	Energia Shareholder	Number of Energia Shares	% of Energia issued share capital[1]
1	Carbon Energy Ltd	29,000,005	26.48%
2	Lujeta Pty Ltd	10,717,702	9.79%
3	Bridgelane Pty Ltd	4,799,128	4.38%
4	Skryne Hill Pty Ltd	3,000,000	2.74%
5	BT Portfolio Services Ltd	2,942,500	2.69%
6	Clodene Pty Ltd	2,801,096	2.56%
7	Kim Robinson & Jennifer Robinson ATF Kim Robinson Superannuation Fund	2,709,270	2.47%
8	Jamie Phillip Boynton	2,422,606	2.21%
9	Citicorp Nominees Pty Ltd	2,410,905	2.20%
10	Lomacott Pty Ltd	1,900,000	1.74%
11	Lotaka Pty Ltd	1,548,742	1.41%
12	Harbour Foundation	1,500,000	1.37%
13	Fenice Investments Ltd	1,270,166	1.16%
14	IE Props Pty Ltd	1,000,000	0.91%
15	Mutton Gavin	832,620	0.76%
16	Henry Wiechecki	750,000	0.68%
17	Delia Iannello ADI Investments a/c	650,000	0.59%
18	Aimwin Pty Ltd	633,333	0.58%
19	Salona Nominees Pty Ltd	600,000	0.55%
20	Jeto Sea Pty Ltd	556,026	0.51%
		72,044,099	**65.79%**

The top 20 holders of ordinary fully paid shares in Energia (as at 8 October 2012) hold 72,044,099 Energia Shares or approximately 65.79% of the shareholding of Energia (as at the date of this Bidder's Statement).

Notes:

1. Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

4.6 Energia Projects

Energia's projects are located in Australia and Italy.

4.6.1 Australia

Nyang Project

The Nyang Project (which includes the Carley Bore Deposit) is located some 960km north-northwest of Perth, Western Australia and approximately 150km south-east of the coastal town of Exmouth in the Carnarvon Basin, an elongated sedimentary basin some 6500km long and up to 250km wide. The basin extends north-south along the coast of Western Australia between Geraldton in the south and the Exmouth Gulf in the north, and east-west from the basement rocks forming its eastern margin to offshore areas that host significant gas fields.

Table Top Project

The Table Top Project is located 15km north-west of the world-class Kintyre deposit (62Mlb U3O8), 250km north-east of Newman at the western edge of the Great Sandy Desert in the Eastern Pilbara region of Western Australia.

The Table Top Project comprises an Exploration Licence Application (E 45/2886) covering an area of approximately 194km^{2}.

Gawler Project

The Gawler Project is located in the Gawler Craton which hosts the world-class Olympic Dam deposit, 555km from Adelaide in South Australia. Energia's Gawler Craton project currently encompasses six tenements. Hidden Swamp (EL3683) is strategically located between the large scale Olympic Dam and Prominent Hill copper-gold mining operations within the Woomera Prohibited Area.

Frome Project

The Frome Project is immediately south-east of Lake Frome in north-eastern South Australia, 445km from Adelaide. The Frome Project comprises two contiguous tenements (EL3651 and EL4035) totalling 204km^2 and was acquired for their potential to host "roll front" uranium deposits.

Westmoreland Project

The Westmoreland Project is located in far north-western Queensland, some 50km east of the Northern Territory border, covering a total area of 565km^2.

The tenements are located approximately 20 kilometres to the east of the Westmoreland uranium deposits, owned by Laramide Resources Limited, which contain an Indicated and Inferred Resource estimate of 52Mlbs of contained U3O8. EL25272 and EL25269 are still under application and EPM15489, and EPM15491 were granted in December 2012.

4.6.2 Italy

Energia has seven granted base metal Exploration Licences in the Lombardia region of northern Italy, five at Gorno and two at Val Camonica which are currently in the process of being renewed, as well as applications covering five additional Exploration Licences at

Gorno and Exploration Licence applications covering two partially developed uranium deposits at Val Vedello and Novazza.

For further information, refer to Energia's announcements on ASX and Energia's target statement which will be issued shortly after this document.

4.7 Energia Financial Information

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Energia on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of Energia for the financial period described below, which includes the notes to the financial accounts, are available in Energia's annual reports for the years ending 30 June 2010, 30 June 2011 and 30 June 2012. Copies of these annual reports are available at www.energiaminerals.com and also the ASX website.

(b) Historical Financial Information of Energia

(i) Consolidated Statement of Financial Position

The historical consolidated statements of financial position of Energia are set out below and have been extracted from the audited consolidated statements of financial position for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the three audited consolidated statements of financial position prior to the date of this Bidder's Statement.

(ii) Consolidated Statement of Comprehensive Income

The historical consolidated statement of comprehensive income of Energia, are set out below and have been extracted from the audited consolidated statement of comprehensive income for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, being the last three audited financial statements prior to the date of this Bidder's Statement.

4.8 Energia Consolidated Statement of Financial Position

	30-Jun-12	30-Jun-11	30-Jun-10
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	2,147,777	6,129,250	5,113,485
Trade and other receivables	111,033	200,364	47,657
TOTAL CURRENT ASSETS	2,258,810	6,329,614	5,161,142
NON CURRENT ASSETS			
Restricted cash	219,834	219,834	67,645
Exploration and evaluation expenditure	2,102,927	2,989,417	3,244,329
Plant and equipment	163,146	142,037	103,291
TOTAL NON CURRENT ASSETS	2,485,907	3,351,288	3,415,265
TOTAL ASSETS	**4,744,717**	**9,680,902**	**8,576,407**
CURRENT LIABILITIES			
Trade and other payables	266,523	353,437	142,463
Provisions	60,103	97,504	23,792
TOTAL CURRENT LIABILITIES	326,626	450,941	166,255
NON CURRENT LIABILITIES			
-	-	-	-
TOTAL NON CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	**326,626**	**450,941**	**166,255**
NET ASSETS	**4,418,091**	**9,229,961**	**8,410,152**
EQUITY			
Issued capital	14,784,784	14,784,784	10,248,593
Reserves	528,380	366,273	283,220
Accumuldated losses	(10,895,073)	(5,921,096)	(2,121,661)
TOTAL EQUITY	**4,418,091**	**9,229,961**	**8,410,152**

4.9 Energia Consolidated Statement of Comprehensive Income

	30-Jun-12	30-Jun-11	30-Jun-10
	$	$	$
Revenue	223,438	212,804	154,215
Other income	55,459	129,556	1,616
Administration expenses	(1,125,312)	(821,271)	(817,309)
Exploration expenditure	(3,172,956)	(2,870,648)	(1,327,051)
Marketing expenditure	(56,107)	(190,869)	(77,292)
Exploration assets written off	(886,490)	(254,912)	-
Other expenses	(12,009)	(4,095)	(2,788)
Loss before income tax expense	(4,973,977)	(3,799,435)	(2,068,609)
Income tax expense	-		
Net loss for theyear	**(4,973,977)**	**(3,799,435)**	**(2,068,609)**
Other comprehensive income:			
Exchange differences on translation of foreign operations	(1,598)	-	-
Other comprehensive income for the year after income tax	(1,598)	-	-
Total comprehensive income attributable to members of the Company	**(4,975,575)**	**(3,799,435)**	**(2,068,609)**
Earnings/(loss) per share			
From continuing operations:			
Basic earnings/(loss) per share (cents)	(4.54)	(5.23)	(4.95)
Diluted earnings/(loss) per share (cents)	(4.54)	(5.23)	(4.95)

4.10 Further information on Energia

Energia is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Energia is subject to the ASX Listing Rules which require continuous disclosure of any information Energia has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Energia's file is available for inspection at ASX during normal business hours.

Energia is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Energia may be obtained from, or inspected at, an ASIC office.

On request to Energia and free of charge, Energia Shareholders may obtain a copy of:

(a) the annual financial report of Energia for the year ended 30 June 2012 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);

(b) any half-year financial report lodged with ASIC by Energia after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and

(c) any continuous disclosure notice given to ASX by Energia since the lodgement with ASIC of the 2012 annual report for Energia referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements Energia has lodged with ASX since 1 July 2012 is set out in Annexure C to this Bidder's Statement.

A substantial amount of information about Energia is available in electronic form from www.energiaminerals.com and on the ASX website.

5. MERGED ENTITY

5.1 Approach

This Section 5 provides an overview of the Merged Entity following the successful completion of the Offer, in the various scenarios following the Takeover Offer, and the effect of the Offer on the Company and Energia.

5.2 Disclaimer Regarding Energia and the Merged Entity Information

In preparing the information relating to Energia and the Merged Entity contained in this Bidder's Statement, the Company has relied on publicly available information relating to Energia and this has not been independently verified by the Company or its Directors. Risks may exist in relation to Energia (which may affect the Merged Entity) of which the Company is unaware. If any material risks are known to the directors of Energia, they must be disclosed in the target's statement to be issued by Energia.

Accordingly, subject to any applicable laws, the Company makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

5.3 Profile of the Merged Entity

If the Takeover Offer is successful, Energia Shareholders will each receive one (1) Cauldron Share for every eight (8) Energia Shares held by them. After the Takeover Offer, if Cauldron becomes entitled to compulsorily acquire outstanding Energia Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares and all of Cauldron's Shareholders (including Energia Shareholders who have received Cauldron Shares pursuant to the Takeover Offer) will be shareholders in the Merged Entity.

5.4 Effect of Completion of the Takeover Offer

Upon completion of the Takeover Offer, the Merged Entity will control over 150km of contiguous mineralisation in the Carnarvon Basin region of Western Australia.

The Merged Entity will have a greater financial capacity to develop and explore this area and will achieve a strengthening and simplification of the current management arrangements and should achieve cost savings by reducing corporate overheads.

5.5 Effect on the Assets and Operations of the Merged Entity

Cauldron is mindful of the pressures a junior explorer faces with respect to financial and technical capacity to operate multiple projects throughout the world. It is envisaged that there will be some consolidation or divestment within the project portfolio of the Merged Entity. A review of all projects and operations will occur post merge.

Cauldron is focussed on becoming a uranium producer with the core asset being the Yanrey Project in Western Australia. Additional opportunities in South Australia and Argentina provide exciting exploration and growth opportunities.

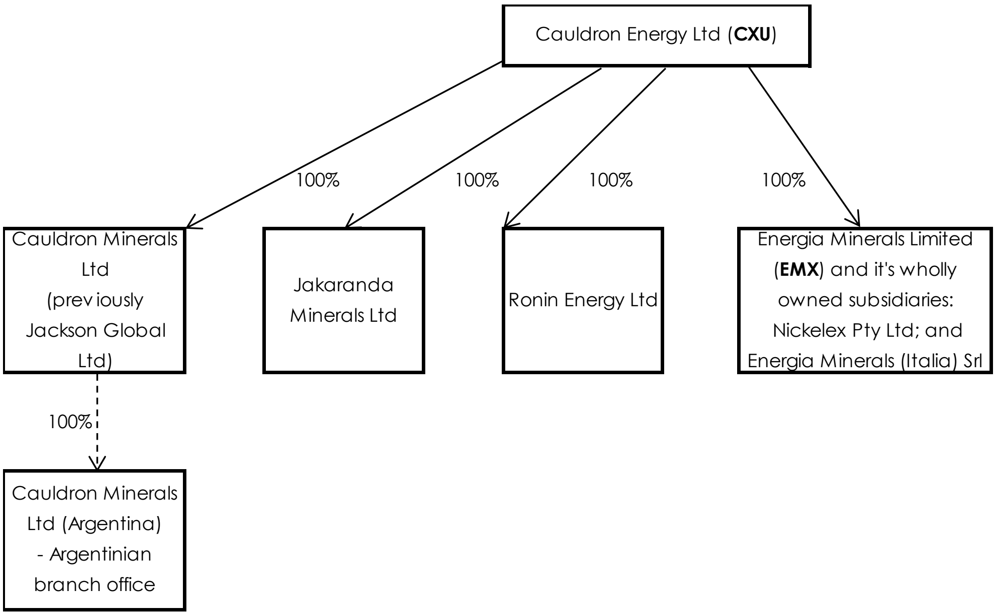
Cauldron's base metal exploration projects are opportunistic in that they are within the Company's existing uranium exploration tenure. However, it is recognised they have the potential to provide enormous benefit should exploration be successful.

Energia's uranium assets in Western Australia are of prime interest to Cauldron. It is envisaged these assets will be a major exploration play and will benefit from the production focus of the Company.

Energia's Italian assets, both base metal and uranium, have clear commodity synergies with Cauldron's base metal and uranium assets.

5.6 Effect of the Takeover Offer on the Company's Corporate and Capital Structure

If the Takeover Offer is completed, the corporate structure of the Merged Entity will be as shown in the following diagram:



The effect of the Takeover Offer on the capital structure of Cauldron as at the date of this Bidder's Statement is set out in Section 3.6 of this Bidder's Statement.

5.7 Acquisition of Energia by Cauldron

Under the Offer, accepting Energia Shareholders will be issued one (1) Cauldron Share for every eight (8) Energia Shares held, implying a theoretical value of $0.034 per Energia share based on the last traded price for Cauldron Shares prior to the announcement of Cauldron's intention to make the Takeover Offer ($0.27 on 14 March 2013).

For the purpose of determining the preliminary purchase price allocation we have assumed 22,036,876 Cauldron Shares valued at $5,949,957 will be issued to Energia shareholders. The purchase consideration for the proposed acquisition of Energia will be measured as the fair value of the Cauldron Shares issued at the date of exchange. Consequently the value of the purchase consideration for accounting purposes will differ from the amount assumed in the pro forma consolidated statement of financial position due to future changes in the market price of Cauldron Shares.

The difference between the fair value of the purchase consideration transferred by Cauldron (as discussed in the prior paragraph) and the book value of the net assets of Energia has been allocated to the exploration and evaluation assets for pro forma purposes (for reasons described in Section 5.8).

The acquisition of Energia, if completed, will be accounted for as an asset acquisition with Cauldron as the acquirer of Energia's assets.

5.8 Basis for preparation of the unaudited pro forma consolidated statement of financial position

The unaudited pro forma consolidated statement of financial position has been prepared in connection with the proposed acquisition of Energia by Cauldron. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the acquisition by Cauldron pursuant to the assumptions described in Section 5.10. The unaudited pro forma consolidated statement of financial position as at 31 December 2012 gives effect to the transaction by Cauldron as if it had occurred as of 31 December 2012.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The pro forma adjustments and allocations of the purchase price for the proposed acquisition of Energia is based on a preliminary determination that the fair value of net assets acquired will be allocated to the exploration and evaluation assets. The final purchase price allocation will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (**IFRS**).

In preparing the unaudited pro forma consolidated statement of financial position in accordance with IFRS, the following historical information was used:

(a) Unaudited half-year 31 December 2012 financial reports of Cauldron and Energia (each report was subject to an interim review by their respective independent auditors).

In preparing the pro forma consolidated statement of financial position no alignment has been made between the accounting policies of Energia and Cauldron.

5.9 Pro Forma Consolidated Statement of Financial Position as at 31 December 2012 for the Merged Entity

	CXU	EMX	Merger Transaction	Consol Journals	Merged Group
	Unaudited	Unaudited	Pro-forma	Pro-forma	Pro-forma
	31-Dec-12	**31-Dec-12**	**31-Dec-12**	**31-Dec-12**	**31-Dec-12**
	$	**$**	**$**	**$**	**$**
CURRENT ASSETS					
Cash and cash equivalents	2,712,551	2,482,723	-		5,195,274
Trade and other receivables	505,507	117,107	-		622,614
Financial assets	1,178,867	-	-		1,178,867
TOTAL CURRENT ASSETS	4,396,925	2,599,830	-	-	6,996,755
NON CURRENT ASSETS					
Investment	-	-	5,949,957	(5,949,957)	-
Restricted cash	231,954	88,834	-		320,788
Loan receivable	1,091,766	-	-		1,091,766
Exploration and evaluation expenditure	9,091,568	1,848,300	-	1,777,834	12,717,702
Property, plant and equipment	58,594	161,792	-		220,386
TOTAL NON CURRENT ASSETS	10,473,882	2,098,926	5,949,957	(4,172,123)	14,350,642
TOTAL ASSETS	**14,870,807**	**4,698,756**	**5,949,957**	**(4,172,123)**	**21,347,397**
CURRENT LIABILITIES					
Trade and other payables	1,452,973	468,786	-		1,921,759
Provisions	18,893	57,847	-		76,740
TOTAL CURRENT LIABILITIES	1,471,866	526,633	-	-	1,998,499
NON CURRENT LIABILITIES					
-	-	-	-		-
TOTAL NON CURRENT LIABILITIES	-	-	-	-	-
TOTAL LIABILITIES	**1,471,866**	**526,633**	**-**	**-**	**1,998,499**
NET ASSETS	**13,398,941**	**4,172,123**	**5,949,957**	**(4,172,123)**	**19,348,898**
EQUITY					
Issued capital	37,348,795	16,965,042	5,949,957	(16,965,042)	43,298,752
Reserves	1,311,287	511,722	-	(511,722)	1,311,287
Accumulated losses	(25,261,141)	(13,304,641)	-	13,304,641	(25,261,141)
TOTAL EQUITY	**13,398,941**	**4,172,123**	**5,949,957**	**(4,172,123)**	**19,348,898**

5.10 Effect of transaction on the unaudited pro forma statement of financial position

The pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to Cauldron's proposed acquisition of Energia:

(a) The pro forma adjustment reflects:

   (i) the issue of 22,036,876 Cauldron Shares at $0.27 per Cauldron Share under the Takeover Offer;

   (ii) the merger costs have not been included as they are not yet identifiable and are deemed to be immaterial to the transaction; and

   (iii) the difference between the purchase price and the net assets acquired has been allocated to the exploration and evaluation assets.

5.11 Outlook for the Merged Entity

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to the Company, Energia or the Merged Entity.

The Company has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Entity. However, the Cauldron Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Entity.

6. INTENTIONS OF CAULDRON ENERGY LIMITED

6.1 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Cauldron's current expectations and predictions about future events including Cauldron's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Cauldron, Energia and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of Cauldron, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

6.2 Rationale for the Takeover Offer

Cauldron believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Energia by Cauldron. These include:

(a) the creation of a uranium focused entity that will hold a contiguous tenement package with a strike of over 150km in a highly prospective uranium province in the Carnarvon Basin region of Western Australia;

(b) combined assets located in an emerging uranium province with in-situ leach potential providing:

   (i) combined uranium Inferred and Indicated resources of 32.4 Mlbs of the uranium compound triuranium octoxide; and

   (ii) large up-side potential with multiple prospects and targets;

(c) increased market capitalisation, liquidity and market presence;

(d) recognition of the Merged Entity's balance sheet, cash and access to an expanded range of financing and growth options;

(e) enhanced global capital market and institutional investor awareness through an anticipated increase in broker research, coverage and investment in Cauldron by domestic and international investment funds;

(f) the alignment of the two shareholder groups into a like-minded, single group of shareholders; and

(g) the reduction of corporate overhead and duplicated roles.

6.3 Cauldron's Intentions Regarding Energia

(a) **Overview**

Subject to the below, it is the present intention of Cauldron, on the basis of the information concerning Energia which is known to Cauldron and the existing circumstances affecting the business of Energia, that:

   (i) the business of Energia will otherwise be continued in substantially the same manner as it is presently being conducted concerning the uranium assets in Western Australia. Following a period of review there will be a plan for the remaining assets. This is viewed to be value accretive for both sets of shareholders;

(ii) no other major changes will be made to the business of Energia;

(iii) there will be a period of review and where there is duplications in assets or synergy in commodities a plan will be developed for the value accretive action concerning these assets; and

(iv) the present employees of Energia will otherwise continue to be employed by Energia. Where there is duplication the fair and equitable solution as per the current employee agreements will be decided in consultation with the Energia Board.

The current intentions of the Company may change in light of material facts and circumstances at the relevant time.

Following a period of review the value accretive treatment of the assets not central to the central strategy of near term Western Australian Uranium production will be presented to the Cauldron board in consultation with the members of the Energia Board.

(b) **Intentions Upon Acquisition of 90% or More of Energia**

If as a result of the Takeover Offer, Cauldron becomes entitled to compulsorily acquire outstanding Energia Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares.

The Company then intends to undertake the steps outlined in Section 6.3(a) above and delist Energia from the ASX, subject to the required regulatory approvals.

(c) **Intentions Upon Gaining Control but Less Than 90% of Energia**

Cauldron reserves its right to declare the Takeover Offer free from the 90% minimum acceptance Condition (or any other Condition) to the Takeover Offer. However, Cauldron has not decided at this stage whether it will free the Takeover Offer from the 90% minimum acceptance Condition (or any other Condition).

If, following the close of the Takeover Offer, Energia becomes a controlled entity, but not a wholly owned subsidiary of Cauldron, Cauldron presently intends, subject to the following, and to the extent possible, and appropriate, to implement the objectives and goals mentioned in Section 6.3(a) above.

The extent to which Cauldron will be able to implement these intentions will be subject to:

(i) the Corporations Act and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests; and

(ii) the legal obligation of the directors of Energia to act for proper purposes and in the best interests of Energia shareholders as a whole.

Having regard to this and in particular the possible requirements of minority shareholder approval, it is possible that Cauldron may not be able to implement some of these intentions.

(d) **Intentions if Cauldron does not Acquire Effective Control of Energia**

Cauldron reserves its right to declare the Takeover Offer free from the 90% minimum acceptance Condition (or any other Condition) to the Takeover Offer. However, Cauldron has not decided at this stage whether it will free the Takeover Offer from the 90% minimum acceptance Condition (or any other Condition).

If the waiver occurs, and Cauldron does not acquire effective control of Energia, Cauldron intends, subject to the Corporations Act and the ASX Listing Rules, to implement the process outlined in 6.3(a) above to the extent possible.

7. AUSTRALIAN TAX CONSIDERATIONS

7.1 Overview

The following summary is a general overview of the Australian income tax consequences for Energia Shareholders who accept the Takeover Offer and dispose of their Energia Shares to Cauldron in accordance with the Takeover Offer. The comments set out below are relevant only to those Energia Shareholders who are residents of Australia for tax purposes and hold their Energia Shares on capital account.

Certain Energia Shareholders (such as those engaged in a business of share trading or investment, those who acquired their Energia Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, persons who are temporary residents or non-residents for Australian tax purposes or persons who acquired their Energia Shares in respect of their employment with Energia) will or may be subject to special or different tax consequences particular to their circumstances. Such Shareholders should seek independent taxation advice regarding the disposal of Energia Shares based on their specific circumstances.

The summary is based on taxation law and practice in effect at the date of the Takeover Offer. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia, nor does it consider any specific facts or circumstances that may apply to particular Energia Shareholders. Further, it does not deal with the taxation consequences of disposing of Energia Shares which may have been issued under an employee shares scheme, which may be subject to specific tax provisions.

Given the complexity of the taxation legislation, Energia Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Energia Shares given the particular circumstances which apply to them.

7.2 Energia Shareholders holding Shares on Capital Account

In broad terms, the Australian income tax consequences for Energia Shareholders who hold their Energia Shares **on capital account** and who accept the Takeover Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief is available and, if available, is elected. The following discussion considers the general Australian income tax consequences for Energia Shareholders where:

(i) rollover relief is available and is elected; and

(ii) rollover relief is not available or is not elected.

7.3 Acceptance of the Takeover Offer where Rollover Relief is Available and is Elected

Australian-resident Energia Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to Cauldron Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to Energia Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that Cauldron must make an offer to all shareholders in Energia to acquire their voting shares on substantially the same terms and Cauldron must become the owner of at least 80% of the voting shares in Energia as a consequence of the Takeover Offer.

If the qualifying conditions are satisfied and an Energia Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the Energia Shareholder's total capital gain will be deferred until the Cauldron Shares are disposed of.

The CGT cost base of the new Cauldron Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the Energia Shares for which a rollover was obtained. For example, the CGT cost base for one (1) Energia Share will be apportioned to the one (1) Cauldron Share received for eight (8) Energia Shares. Further, the Energia Shareholders will be taken to acquire their Cauldron Shares at the time they originally acquired their Energia Shares (for the purpose of determining any entitlement to a discount on an otherwise assessable capital gain in relation to a subsequent dealing in their new Cauldron Shares).

As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Energia Shareholders elect to apply for it. Further, rollover relief is not available if Energia Shareholders realise a capital loss on the disposal of their Energia Shares.

Scrip for scrip rollover relief does not apply automatically and must be elected. The election to utilise scrip for scrip rollover relief is evidenced by the manner in which the tax return for the relevant income year is prepared although it may be prudent to keep a written record of that election with your tax records.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, Energia Shareholders should seek independent taxation advice regarding their particular circumstances.

7.4 Acceptance of the Takeover Offer where Rollover Relief is Not Available or is Not Elected

Acceptance of the Takeover Offer is likely to involve a disposal by an Energia Shareholder of their Energia Shares for CGT purposes.

An Australian-resident Energia Shareholder may make a capital gain or capital loss, depending on whether their capital proceeds from the exchange are more than the cost base of their Energia Shares, or whether those capital proceeds are less than the cost base of those shares.

The capital proceeds that an Energia Shareholder will be taken to have received in respect of the disposal of their Energia Shares will generally be the market value of Cauldron Shares on the date of acceptance of the Takeover Offer.

The cost base of Energia Shares will generally be the cost at which they were acquired including any incidental costs of acquisition together with any additional cost base elements.

Where the amount of capital proceeds received by an Energia Shareholder in respect of the disposal of their Energia Shares is greater than the cost base of those Energia Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by an Energia Shareholder in respect of the disposal of their Energia Shares is less than the reduced cost base of those Energia Shares, then the Energia Shareholder should realise a capital loss for Australian CGT purposes.

Where it is expected that a capital gain will result, if an Energia Shareholder does not elect for rollover relief, or that relief is not available, then partial tax relief may be available in the form of the CGT discount.

Specifically, where Energia Shares have been held for at least 12 months before their disposal, an Energia Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Energia Shares by the CGT discount (see below).

The CGT discount will be available if the relevant Energia Shares have been held for at least 12 months.

Subject to the Energia Shareholder having any capital losses or net capital losses from previous income years, where the CGT discount is available, eligible Energia Shareholders which are individuals or trustees of trusts will reduce the capital gain arising on the disposal of Energia Shares by one-half. For individuals, this reduced gain should be assessed at the Energia Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Subject to the Energia Shareholder having any capital losses or net capital losses from previous income years, where Energia Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any capital losses or net capital losses from previous income years. Energia Shareholders having any capital losses or net capital losses from previous income years should seek independent advice in relation to the potential availability of the CGT discount.

7.5 Energia Shareholders who are Companies will Not be Entitled to the CGT Discount

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or reduced cost base of the shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years. We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of capital losses.

7.6 GST

GST should not apply to the disposal of Energia Shares under the Takeover Offer, the issue of Cauldron Shares under the Takeover Offer, or any subsequent disposal of Cauldron Shares.

Energia Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in Cauldron or Energia. Energia Shareholders should seek their own tax advice in this respect.

8. RISK FACTORS

8.1 Overview

If the Offer becomes unconditional, Energia Shareholders who accept the Takeover Offer will become Cauldron Shareholders. In those circumstances, Energia Shareholders will:

(a) continue to be exposed to the risks associated with the investment in Energia as a result of their indirect interest in Energia through Cauldron;

(b) be exposed to the risks which are specific to an investment in Cauldron; and

(c) be exposed to additional risks relating to the Takeover Offer and the Merged Entity.

These risks are explained below. Energia Shareholders should read this Bidder's Statement carefully and consult their professional advisors before deciding whether to accept the Takeover Offer. By accepting the Takeover Offer, Energia Shareholders will be investing in Cauldron.

The business activities of Cauldron and the Merged Entity are subject to various risks that may impact on the future performance of Cauldron and the Merged Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Cauldron and the Merged Entity and cannot be mitigated.

Accordingly, an investment in the Merged Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

8.2 Risks Relating to the Offer

(a) **Issue of Cauldron Shares as consideration**

Energia Shareholders are being offered specific quantities of Cauldron Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Cauldron Shares at any given time. Accordingly, the market value of the Cauldron Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to Energia Shareholders increasing as well as decreasing.

(b) **Rollover Relief**

A condition of the Offer is that the level of acceptance must result in Cauldron obtaining a Relevant Interest in at least 90% of all Energia Shares. However, Cauldron reserves the right to free the Takeover Offer from the 90% minimum acceptance Condition.

If Cauldron does not acquire a Relevant Interest in at least 80% of Energia Shares, scrip-for-scrip CGT rollover relief will not be available to Energia Shareholders. Refer to Section 7 above for further details.

(c) **Sale of Cauldron Shares**

Under the Offer, Cauldron will issue a significant number of new Cauldron Shares. Some holders of Cauldron Shares may not intend to continue to hold their Cauldron Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Cauldron Shares.

(d) **Acquisition of Less than 90% of Energia Shares**

If Cauldron decides to waive the 90% minimum acceptance Condition, it is possible that Cauldron could acquire a Relevant Interest of less than 90% of Energia Shares on issue under the Takeover Offer. The existence of a minority interest in Energia may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of Energia ownership acquired by Cauldron.

(e) **Duty and Government Charges**

Duty and other government charges may be payable by Cauldron in relation to the Offer. The amount of these duties and charges may be material.

(f) **Dilution Risk**

The consideration for the Takeover Offer is the Takeover Offer Consideration set out on the front page of this Bidder's Statement. If the Takeover Offer is completed, there will be a dilution for current Cauldron Shareholders as a result of the Takeover Consideration Shares being issued.

8.3 Risks Relating to the Merged Entity

This Section 8.3 sets out risks that are specific to Cauldron and Energia as the Merged Entity.

(a) **Uranium Mining**

(i) Approval process

The approval processes for uranium mining are more rigorous than conventional mines, with both Federal and State government legislation to satisfy. There is a risk that, should economic deposits of uranium be discovered, the necessary government approvals may not be granted, or may be significantly delayed.

(i) Government policy

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors. In particular, government policies and regulations vary in different States and with different governing parties in relation to uranium exploration, mining and marketing.

The Company's activities will require compliance with various laws, both State and Federal, relating to the protection of the environment, Aboriginal culture and heritage and native title, the protection of workers and the public against the dangers of radiation and the export of uranium. Changes in government, government policies and legislation could have a material adverse affect on the Company.

(ii) Regulation and politics

In Australia, mining in general and uranium mining in particular, is regulated by State and Federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and a range of other matters. Compliance with these laws and regulations impacts on the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and exporting of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal

Government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

The Western Australian State Government allows the mining of uranium provided certain conditions are adhered to.

(iii) Public perception

Debate on the relative dangers and benefits of uranium as an energy source will continue into the foreseeable future and may result in statutory and/or regulatory changes which impact the Company operations.

(iv) Export policy

The Australian Commonwealth Government maintains tight control over the export of uranium through its licensing process.

Currently there are no nuclear power stations operating within Australia and therefore almost all uranium produced from Australian mines is exported. Federal legislation (including the Customs (Prohibited Exports) Regulations and the Nuclear Nonproliferation (Safeguards) Act) currently ensures that Australian uranium is only exported to countries that undertake to use it for peaceful purposes. The physical mining of uranium is also extensively regulated.

Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

(v) Alternative energy sources

Uranium is used primarily as a fuel source for electricity generation. Other sources of fuel available for power generation include coal, gas and hydro-electricity. Factors that influence the decision of power producers to choose uranium rather than other fuels include political, technological and environmental considerations (both locally and globally). While these, to date, have impacted negatively on the growth of the uranium industry, recent concerns in relation to carbon-based emissions have strengthened the case for the use of uranium. However, sufficient advances in the technology associated with other carbon-efficient power generation (such as wind, solar or geo-thermal power generation) could see the demand for uranium as a fuel source decrease, which would be likely to have a negative impact on the Company and the value of the Shares.

(b) **Exploration and mining**

Mining exploration is an inherently speculative endeavour and associated with various risks. There can be no assurance that exploration of tenements will result in the discovery of recoverable resources.

Even if resources are identified, there is no guarantee that those resources can be economically exploited. Other factors such as adverse weather conditions, operational and technical difficulties, geological conditions, lack of sufficient water or power sources, industrial and environmental accidents, occupational health or safety issues, labour disputes, lack of access to key infrastructure such as railway and port facilities, adverse changes in government policy or legislation or a lack of access to sufficient funding may mean that any resources discovered are not economically recoverable or may otherwise preclude the Merged Entity from successfully mining and exploiting those resources.

(c) **Failure to satisfy expenditure commitments**

There are also risks relating to having an interest in exploration and mining tenements in that tenements are also subject to meeting certain annual expenditure commitments imposed from time to time to keep them in good standing and any failure to meet such commitments can result in forfeiture of any such tenement(s).

(d) **Resources and reserves estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Merged Entity's operations.

(e) **Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

In this regard, the Department of Mines and Petroleum in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

(f) **Future funding**

Significant future funding will be required by the Merged Entity to support its proposed activities. There can be no assurance that such funding will be available on satisfactory terms or at all. The Merged Entity's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to secure additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Merged Entity will be able to secure any additional funding or be able to secure funding on terms favourable to the Merged Entity.

Further, loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Merged Entity may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Merged Entity would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by Merged Entity or default under a finance lease could also result in the loss of assets.

(g) **Retention of key business relationships**

The Merged Entity's business relies on several contracts and business alliances. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Merged Entity, its business, operating results or prospects.

(h) **Ability to attract personnel**

The Merged Entity's success depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management. Competition for suitably qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Merged Entity's development efforts or business development and could materially adversely affect its prospects.

(i) **Profitability**

Future operating results depend to a large extent on management's ability to successfully manage expansion and growth. Inability to control the costs and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expense growth or a failure to manage other issues arising from growth could materially adversely affect the Merged Entity's operating results.

(j) **Limitations if Cauldron does not acquire more than 90% of Energia Shares**

If the Takeover Offer goes unconditional and Cauldron does not acquire more than a 90% interest in the Energia Shares on issue at the end of the Offer Period, then the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply to the two companies which may limit activities between the companies or increase regulatory compliance for undertaking certain activities between the companies.

(k) **Economic risk and external market factors**

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Merged Entity's prospects, operating costs, profit margins and share price. These factors are beyond the control of the Merged Entity and the Merged Entity cannot, to any degree of certainty, predict how they will impact on the Merged Entity.

(l) **Sovereign Risk**

The Company's key projects are located in Australia and Argentina.

Changes in Argentina's laws and regulations may have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions, royalties and taxation.

The political conditions under which the Company currently operates in Argentina are stable compared to many areas of the world, but arguably are not as stable as those prevailing in Australia. Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Argentina. This may also include changes in exchange control regulation, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

The Company's projects are subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Argentina or any other country in which the Company may, in the future, have an interest.

(m) **War and terrorist attacks**

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Merged Entity.

(n) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

9. ADDITIONAL INFORMATION

9.1 Cauldron's Interest in Energia Shares

As at the date of this Bidder's Statement:

(a) Cauldron has no voting power in Energia; and

(b) Cauldron has no Relevant Interest in Energia Shares.

Immediately before the first Takeover Offer is sent:

(c) Cauldron has no voting power in Energia; and

(d) Cauldron has no Relevant Interest in Energia Shares.

9.2 Acquisitions of Energia Shares by Cauldron and its Associates

(a) **Previous 4 months**

Neither Cauldron nor any Associate of Cauldron has provided, or agreed to provide, consideration for Energia Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

(b) **Period before Takeover Offer**

Neither Cauldron nor any Associate of Cauldron has provided, or agreed to provide, consideration for Energia Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer.

9.3 No Escalation Agreements

Neither Cauldron nor any Associate of Cauldron has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

9.4 Collateral Benefits

(a) **Previous 4 months**

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Cauldron nor any Associate of Cauldron gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

(i) accept the Takeover Offer; or

(ii) dispose of their Energia Shares,

and which is not offered to all holders of Energia Shares under the Takeover Offer.

(b) **Period before Takeover Offer**

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer, neither Cauldron nor any Associate of Cauldron gave, or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

(i) accept the Takeover Offer; or

(ii) dispose of their Energia Shares,

and which is not offered to all holders of Energia Shares under the Takeover Offer.

9.5 Disclosure of Information

Due to the fact that Cauldron is offering Cauldron Shares as consideration for the acquisition of Energia Shares under the Takeover Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Cauldron Shares under Sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on ASX, Cauldron is subject to regular disclosure requirements. In particular, Cauldron is required to disclose information concerning its finances, activities and performance. This disclosure is available on Cauldron's website as well as on the ASX website (ASX Code: CXU).

Please refer to Section 3.10 for further details in relation to Cauldron's corporate governance policies.

9.6 Interests and Benefits Relating to the Takeover Offer

(a) **Interests**

Other than as set out below or elsewhere in this Bidder's Statement, no:

(i) director or proposed director of Cauldron;

(ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or

(iii) promoter of Cauldron,

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

(iv) the formation or promotion of Cauldron;

(v) any property acquired or proposed to be acquired by Cauldron in connection with its formation or promotion or in connection with the offer of Cauldron Shares under the Takeover Offer; or

(vi) the offer of Cauldron Shares under the Takeover Offer.

(b) **Implied Value of the Takeover Offer**

Based on the closing price of a Cauldron Share on ASX on 14 March 2013 (the last trading day before the Announcement Date) of $0.27, the implied value of the Takeover Offer is $0.034 per Energia Share.

Based on the closing price of a Cauldron Share on ASX on 1 May 2013 (the last practicable trading day before this Bidder's Statement was lodged with ASIC), of $0.13 the implied value of the Takeover Offer is $0.016 per Energia Share.

The implied value of the Takeover Offer will change as a consequence of changes in the market price of Cauldron Shares from time to time. The following table may assist Energia Shareholders to determine the implied value of the Takeover Offer at different Cauldron Share price levels. The table is not an indication of prices at which Cauldron Shares may trade – Cauldron Shares may trade within this range or at higher or lower levels.

Price of a Cauldron Share	Implied offer price for an Energia Share[1]
$0.10	$0.013
$0.15	$0.019
$0.20	$0.025
$0.25	$0.031
$0.30	$0.038
$0.35	$0.044
$0.40	$0.050
$0.45	$0.056
$0.50	$0.063
$0.55	$0.069
$0.60	$0.075

Notes:

1. Subject to rounding.

(c) **Disclosure of Fees and Benefits Received by Certain Persons**

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(i) to a director or proposed director of Cauldron to induce them to become, or to qualify as, a director of Cauldron; or

(ii) for services provided by an Interested Person in connection with the formation or promotion of Cauldron or the offer of Cauldron Shares under the Takeover Offer.

(d) **Expenses of the Takeover Offer**

The total amount of cash that Cauldron may become obliged to pay to satisfy all expenses incurred by Cauldron and relating to the Takeover Offer will be provided from Cauldron's existing cash balances.

Cauldron estimates it will incur fees for services provided in connection with the Takeover Offer, including for legal, taxation, financial advisors, share register and ASX and other professional fees, in the amount of approximately $45,000 (excluding GST).

9.7 Disclosure of Interests of Directors

The directors of Cauldron have the following interests in Cauldron securities as at the date of this Bidder's Statement.

Director	Shares	Options
Tony Sage	5,894,600[1]	Nil
Brett Smith	11,844	Nil
Qiu Derong	41,900,000[2]	Nil

Notes:

1. This consists of 2,594,600 Cauldron Shares held by Mr Antony William Paul Sage ATF EGAS Super Fund and 3,300,000 Cauldron Shares held by Okewood Pty Ltd, a company in which Mr Sage has a relevant interest.
2. This includes 36,500,000 Cauldron Shares held indirectly by Qiu Derong's brother, Dekang Qiu.

The directors of Cauldron have the following interests in Energia securities as at the date of this Bidder's Statement.

Director	Shares	Options
Mr Tony Sage	Nil	Nil
Mr Brett Smith	Nil	Nil
Mr Qiu Derong	Nil	Nil

9.8 Fees and Benefits of Directors

The Constitution of Cauldron provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by Cauldron in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The annual remuneration (inclusive of superannuation) of the Directors for the last two financial years and the current financial year is as follows:

Director	2011 Financial Year	2012 Financial Year	2013 Financial Year (proposed)
Mr Tony Sage	$120,000	$120,000	$120,000
Mr Brett Smith	$136,085	$109,003	$109,003
Mr Qiu Derong	Nil	Nil	$100,000[1]

[1]In addition to this amount, during the current financial year, Cauldron has paid $250,000 to Mr Qiu Derong in respect of non-executive director fees for the period 6 November 2009 (date of his appointment) to 6 May 2012.

Cauldron has entered into a sub-lease of office premises from Cape Lambert Resources Ltd for a period of 5 years terminating on 31 March 2017. Director Tony Sage is executive chairman of Cape Lambert Resources Ltd. Cape Lambert Resources Ltd holds the primary lease agreement with Okewood Pty Ltd, a company controlled by Director, Tony Sage. The sub-lease agreement was made on commercial terms and conditions at market rates. In the two years preceding the date of this Bidder's Statement, the Company has paid $41,669 in rent pursuant to the sub-lease. Pursuant to the terms of the sub-lease, the Company will be required to pay a total of $160,123 in rent for the duration of the sub-lease.

Cauldron's financial year ends on 30 June.

Cauldron Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Cauldron and other miscellaneous expenses.

The remuneration of Cauldron Directors is reviewed annually by Cauldron. The figures for the 2013 Financial Year are current as at the date of this Bidder's Statement.

9.9 Material Litigation

Cauldron is not aware of any instituted or threatened litigation, or other legal proceedings in relation to Cauldron.

9.10 Ineligible Foreign Shareholders

Energia Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Cauldron Shares as consideration for their Energia Shares pursuant to the Takeover Offer.

An Energia Shareholder is an Ineligible Foreign Shareholder for the purposes of the Takeover Offer if their address as shown in the register of members of Energia is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if Cauldron is satisfied, in its sole discretion, that it is not legally or practically constrained from making the Takeover Offer to an Energia Shareholder in the relevant jurisdiction and to issue Cauldron Shares to such an Energia Shareholder on acceptance of the Takeover Offer, and that it is lawful for the Energia Shareholder to accept the Takeover Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Cauldron is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The Cauldron Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Sale Nominee who will sell these shares. The proceeds of the sale (less any transaction costs) of such shares will then be remitted to the relevant Ineligible Foreign Shareholders.

9.11 Status of Conditions

The conditions of the Takeover Offer are set out in Annexure A. Cauldron will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Cauldron is not aware of any events which would result in a breach or inability to satisfy the Conditions.

Cauldron will give a notice of the status of the Conditions in accordance with the Corporations Act on 9 August 2013 (subject to extension if the Offer Period is extended).

9.12 Consents

Each of the parties referred to in this Section 9.12:

(a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.12; and

(b) has not caused or authorised the issue of this Bidder's Statement.

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

(a) Steinepreis Paganin as legal advisors to Cauldron in relation to the Takeover Offer; and

(b) Bentley's as Cauldron's auditor and also to the inclusion of Cauldron's 2010 – 2012 audited accounts in this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX. Under the Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact Cauldron on +61 8 9380 9555.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from ASX without its consent.

9.13 Other Material Information

There is no other information material to the making of a decision by a holder of Energia Shares whether or not to accept the Takeover Offer being information that is known to Cauldron and which has not previously been disclosed to Energia Shareholders other than as is contained elsewhere in this Bidder's Statement.

9.14 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

9.15 Date for Determining Holders

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

9.16 ASIC Modifications and Exemptions, ASX Waivers

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Cauldron, in relation to the operation of Chapter 6 of the Corporations Act. Cauldron may rely on this "Class Order" relief.

10. DIRECTORS AUTHORISATION

This Bidder's Statement is dated 2 May 2013 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of Cauldron.

Signed for and on behalf of
Cauldron Energy Limited
Tony Sage
Executive Chairman

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

$ or **Dollar** means Australian dollars.

Acceptance Form means the form of acceptance and transfer for the Takeover Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to an Energia Shareholder by Cauldron's share registry in relation to the Takeover Offer, as the context requires.

Announcement Date means 18 March 2013, being the date the Takeover Offer was announced on ASX.

Associate has the meaning given in chapter 6 of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX, as amended from time to time.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this document including the Annexures.

Board or **Cauldron Board** means the board of directors of Cauldron.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

Cauldron Option means an Option to acquire a Cauldron Share.

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

Cauldron Shareholder means a holder of a Cauldron Share.

CGT means capital gains tax as defined in the Australian *Income Tax Assessment Act 1997* (Cth).

CHESS means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

CHESS Holding means a number of Energia Shares which are registered on Energia's share register being a register administered by the ASX Settlement and which records uncertified holdings of shares.

Company or **Cauldron** means Cauldron Energy Limited (ABN 22 102 912 783) or the Merged Entity as the context requires.

Conditions means the conditions set out in Annexure A.

Constitution means the constitution of Cauldron.

Controlling Participant means a Participant who is designated as the controlling participant for shares or other security in a CHESS Holding in accordance with the ASX Settlement Rules.

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

Director or **Cauldron Director** means a director of Cauldron as at the date of this Bidder's Statement.

Energia means Energia Minerals Limited (ABN 63 078 510 988).

Energia Board means the board of directors of Energia.

Energia Group means Energia and its Related Bodies Corporate.

Energia Group Entity means any member of the Energia Group.

Energia Options means and option to acquire an Energia Share.

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

Energia Shareholders means all persons who hold Energia Shares.

Financial Arrangement means each:

(a) financing agreement or instrument, money borrowing or raising arrangement or other financing arrangement, liability, encumbrance or other security, guarantee, indemnity or other credit support arrangement; or

(b) derivative or treasury transaction, agreement or arrangement,

(in each case regardless of form and including any similar arrangement).

Ineligible Foreign Shareholder means any Energia Shareholder whose address, as entered in the register of members of Energia, is in a jurisdiction other than Australia (and its external Territories) and New Zealand, unless Cauldron otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to an Energia Shareholder in the relevant jurisdiction and to issue Cauldron Shares to such an Energia Shareholder on acceptance of the Offer, and that it is not unlawful for such an Energia Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

Merged Entity means Cauldron and its subsidiaries following the acquisition by Cauldron of all, or a portion, of Energia Shares on issue.

Mining Interest means any and all mining interests that Energia has as at the Announcement Date.

Offer means the Takeover Offer.

Offer Period means the period during which the Offer is open for acceptance.

Official List means the official list of entities that ASX has admitted and not removed.

Perth Time means Perth (Western Australia) Standard Time.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Record Date means the date set by Cauldron under Section 633(2) of the Corporations Act, being 5:00pm (Perth Time) on 3 May 2013.

Related Bodies Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in Section 9 of the Corporations Act.

Rights means all accreditations, benefits and rights attaching to or arising from Energia Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Energia).

Sale Nominee means the nominee approved by ASIC for the sale of Energia Shares held by the Ineligible Foreign Shareholders.

Sydney Time means Sydney (New South Wales) standard time.

Takeover Offer means the off market takeover offer by Cauldron of one (1) Cauldron Share for every eight (8) Energia Shares on the terms and conditions set out in this Bidder's Statement.

Takeover Offer Consideration means 1 Cauldron Share for every 8 Energia Shares.

Takeovers Panel means the Takeovers Panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth).

Your Shares means the Energia Shares: (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Energia at 5:00pm (Perth Time) on the Record Date; or (b) to which you are able to give good title at the time you accept this Takeover Offer during the Offer Period.

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

(a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;

(b) headings are for convenience only and do not affect interpretation;

(c) the singular includes the plural and conversely;

(d) a reference to a Section is to a Section of this Bidder's Statement;

(e) a gender includes all genders;

(f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;

(g) $, or cents is a reference to the lawful currency in Australia, unless otherwise stated;

(h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;

(i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;

(k) a reference to any instrument or document includes any variation or replacement of it;

(l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;

(m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;

(n) a reference to you is to a person to whom the Takeover Offer is made; and

(o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A – TERMS OF TAKEOVER OFFER

The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions:

1.1 General Terms

(a) Cauldron offers to acquire all of Your Shares, together with all Rights attached to them, on the following terms and conditions set out in this Takeover Offer.

(b) The Takeover Offer Consideration being offered by Cauldron for the acquisition of all of Your Shares is one (1) Cauldron Share for every eight (8) Energia Shares you own, subject to the terms and conditions set out in this Takeover Offer.

(c) If, you become entitled to a fraction of a Cauldron Share under the Takeover Offer, the number of Energia Shares will be rounded up to the nearest whole Energia Share (if equal to a fraction of 0.5 or greater) or rounded down (if equal to a fraction of less than 0.5).

(d) If you are an Ineligible Foreign Shareholder at the time the Takeover Offer is made to you then, despite any other provision of this Takeover Offer, you may be offered and may be paid for Your Shares a cash amount calculated under Section 1.8 of this Annexure A.

(e) The Cauldron Shares to be issued pursuant to this Takeover Offer will be fully paid and, from their date of issue, rank equally in all respects with existing Cauldron Shares currently on issue.

(f) The rights and obligations of the Cauldron Shares to be issued under the Takeover Offer are summarised in Section 3.13 of the Bidder's Statement.

(g) The Takeover Offer is dated 16 May 2013.

1.2 Offer Period

(a) Unless withdrawn, this Takeover Offer will remain open for acceptance during the period commencing on the date of this Takeover Offer and ending at 5.00pm (WST) on the later of:

(i) 16 August 2013; or

(ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.

(b) Cauldron reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

(c) If, within the last 7 days of the Offer Period, either of the following events occurs:

(i) the Takeover Offer is varied to improve the consideration offered; or

(ii) Cauldron's voting power in Energia increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

1.3 Who May Accept

(a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Energia Shares on Energia's register of members at 5:00pm (Perth Time) on the Record Date.

(b) The Offer also extends to each person who becomes registered as the holder of Your Shares during the Offer Period.

(c) A person who:

(i) is able during the Offer Period to give good title to a parcel of Energia Shares; and

(ii) has not already accepted this Takeover Offer which relates to those Energia Shares,

may accept as if a Takeover Offer from Cauldron on terms identical with this Takeover Offer had been made to that person in relation to those Energia Shares.

(d) If, at the time the Takeover Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Shares, then:

(i) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to that other person in respect of those Energia Shares;

(ii) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to you in respect of any other Energia Shares you hold to which the Takeover Offer relates; and

(iii) this Takeover Offer will be deemed to have been withdrawn immediately at that time.

(e) If at any time during the Offer Period you are registered as the holder of one or more parcels of Energia Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Takeover Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Takeover Offer for each distinct parcel, you must comply with the procedure in Section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Cauldron on +61 8 9380 9555 to request those additional copies.

(f) This Takeover Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). The Offer is not registered in New Zealand, but is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Takeover Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

(g) If Your Shares are registered in the name of broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting this Takeover Offer.

1.4 How to Accept this Takeover Offer

(a) You may only accept this Takeover Offer in respect of all (and not a lesser number) of Your Shares. For example, if you have 10,000 Energia Shares and you wish to accept the Takeover Offer, you may only accept this Takeover Offer in respect of 10,000 Energia Shares.

(b) You may accept this Takeover Offer at any time during the Offer Period.

(c) To accept this Takeover Offer for Energia Shares held in your name, you must:

(i) complete and sign the Acceptance Form in accordance with the terms of this Takeover Offer and the instructions on the Acceptance Form; and

(ii) ensure that the Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.

(d) Acceptance Form and Other Documents

(i) The Acceptance Form forms part of the Takeover Offer. The requirements on the Acceptance Form must be observed in accepting the Takeover Offer.

(ii) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by Cauldron at the address shown on the Acceptance Form before the end of the Offer Period.

(iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.

(iv) When accepting the Takeover Offer, you must also forward for inspection:

(A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and

(B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Energia Shareholder, the relevant grant of probate or letters of administration.

1.5 Validity of Acceptances

(a) Subject to this Section 1.5 of this Annexure A, your acceptance of the Takeover Offer will not be valid unless it is made in accordance with the procedures set out in Section 1.4 of this Annexure A.

(b) Cauldron may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares even if a requirement for acceptance has not been complied with.

(c) Cauldron may at any time in its sole discretion:

(i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and

(ii) where you have satisfied the requirements for acceptance in respect of only some of your Energia Shares, treat the acceptance as a valid acceptance in respect of all of your Energia Shares.

(d) In respect of any part of an acceptance treated by it as valid, Cauldron will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of Cauldron's rights under this Section 1.5 of this Annexure A will be conclusive and only evidenced by its so doing. The payment of consideration in accordance with the Takeover Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Cauldron.

(e) This Section is not a condition of this Takeover Offer.

1.6 The Effect of Acceptance

(a) Once you have accepted this Takeover Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Takeover Offer or otherwise dispose of Your Shares, except as follows:

(i) if, by the times specified in Section 1.7(b)of this Annexure A, the conditions in Section1.10 of this Annexure A have not all been fulfilled or waived, the Takeover Offer will automatically terminate and Your Shares will be returned to you; or

(ii) if the Takeover Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Cauldron has to meet its obligations under the Takeover Offer, and, at the time, the Takeover Offer is subject to one or more of the conditions in Section 1.10 of this Annexure A, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.

(b) The relevant times for the purposes of Section 1.7(a) are at the end of the Offer Period.

(c) By following the procedures described in Section 1.4 of this Annexure A, you will be deemed to have:

(i) accepted this Takeover Offer (and any variation to it) in respect of the Energia Shares registered in your name at the time of processing to which this Takeover Offer relates, regardless of the number of Energia Shares specified in the Acceptance Form;

(ii) agreed to the terms of the Takeover Offer and, subject to the conditions contained in Section 1.10 of this Annexure A being fulfilled or waived, agreed to transfer to Cauldron all of your Energia Shares and all of the Rights attached to those Energia Shares;

(iii) agreed to accept the consideration being offered by Cauldron and have authorised Cauldron to place your name on its register of shareholders in respect of Cauldron Shares offered by Cauldron as consideration, and agreed to be bound by the Constitution of Cauldron;

(iv) authorised Cauldron to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:

(A) to make the Acceptance Form an effective acceptance of this Takeover Offer; and/or

(B) to enable registration of the transfer to Cauldron of your Energia Shares;

(v) irrevocably authorised and directed Energia to pay to Cauldron or to account to Cauldron for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Takeover Offer in respect of your Energia Shares (subject to Cauldron accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Takeover Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);

(vi) represented and warranted to Cauldron that:

(A) Cauldron will acquire good title to and beneficial ownership of all of your Energia Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;

(B) you have paid Energia all amounts which are due in respect of your Energia Shares;

(C) all of your Energia Shares are fully paid; and

(D) you have full power and capacity to accept the Takeover Offer and to sell and transfer the legal and beneficial ownership of your Energia Shares (together with all Rights attached to them) to Cauldron;

(vii) unless you are an Ineligible Foreign Shareholder (as that expression is defined in Section 11.1 of this Bidder's Statement), you agree to accept the Cauldron Shares to which you become entitled by accepting this Takeover Offer subject to the Constitution and the terms of issue of the Cauldron Shares and to have authorised Cauldron to place your name on its register of shareholders as the holder of the Cauldron Shares issued to you under the Takeover Offer;

(viii) acknowledged and agreed that if you are an Ineligible Foreign Shareholder, Cauldron will arrange for any Cauldron Shares otherwise issuable to you to be issued and sold, and the net proceeds (less any transaction costs) to be remitted to you, as described in Section 1.8 of this Annexure A;

(ix) represented and warranted to Cauldron that the making by Cauldron to you, and your acceptance, of this Takeover Offer is lawful under any foreign law which applies to you, to the making of this Takeover Offer, and to your acceptance of this Takeover Offer;

(x) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Cauldron and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Energia Shares or in exercise of any right or power derived from the holding of your Energia Shares including, without limitation:

(A) attend and vote in respect of your Energia Shares at any and all meetings of Energia;

(B) requisition or join with other holders of Energia Shares in requisitioning and/or convening a meeting of the members of Energia;

(C) demand a poll for any vote to be taken at any meeting of Energia Shareholders;

(D) propose or second any resolutions to be considered at any, and all meetings of Energia Shareholders;

(E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Cauldron as a proxy in respect of all or any of your Energia Shares and a transfer form for your Energia Shares), proxies, consents, agreements and resolutions relating to your Energia Shares;

(F) request Energia to register in the name of Cauldron or its nominee your Energia Shares which you hold on any register of Energia; and

(G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Cauldron as the beneficial owner and intended registered holder of your Energia Shares in respect of which you have accepted this Takeover Offer and to have further agreed to do all such acts, matters and things that Cauldron may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of Energia) if requested by Cauldron. This appointment is irrevocable and terminates upon registration of a transfer to Cauldron or your Energia Shares;

(xi) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Energia or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Cauldron and the directors, secretaries and other officers of Cauldron by Section 1.6(c)(x) of this Annexure A;

(xii) irrevocably authorised Cauldron to notify Energia on your behalf that your place of address for the purposes of serving notices in respect of your Energia Shares is the address specified by Cauldron in the notification;

(xiii) represented and warranted to Cauldron that, unless you have notified it in accordance with Section 1.3(e) of this Annexure A, your Energia Shares do not consist of a separate parcel of shares; and

(xiv) agreed, subject to the conditions of this Takeover Offer in Section 1.10 of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Cauldron may consider necessary or desirable to convey your Energia Shares registered in your name and Rights to Cauldron.

(d) The representations, warranties, undertakings and authorities referred to in this Section 1.8 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Energia Shares and after Cauldron becomes registered as the holder of them.

1.7 Payment of Consideration

(a) Subject to the terms of this Takeover Offer and the Corporations Act, Cauldron will provide the consideration for Your Shares on or before the earlier of:

(i) one month after the date of your acceptance or, if this Takeover Offer is subject to a defeating condition when you accept this Takeover Offer, within one month after this Takeover Offer becomes unconditional; and

(ii) 21 days after the end of the Offer Period.

(b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Takeover Offer, regardless of any delay in providing the consideration or any extension of the Takeover Offer.

(c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):

(i) if that document is given with your acceptance, Cauldron will provide the consideration in accordance with Section 1.7(a) of this Annexure A;

(ii) if that document is given after acceptance and before the end of the Offer Period while this Takeover Offer is subject to a defeating condition, Cauldron will provide the consideration by the end of whichever of the following periods ends earlier:

(A) within one month after this Takeover Offer become unconditional; or

(B) 21 days after the end of the Offer Period;

(iii) if that document is given after the Offer Period while this Takeover Offer is not subject to a defeating condition, Cauldron will provide the consideration due to you on or before the earlier of:

(A) one month after that document is given to Cauldron; and

(B) 21 days after the end of the Offer Period; and

(iv) if that document is given after the end of the Offer Period, and the Takeover Offer is not subject to a defeating condition, Cauldron will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Takeover Offer is still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, Cauldron will provide the consideration for you within 21 days after the Takeover Offer becomes unconditional.

(d) Subject to Sections 1.8 of this Annexure A, the obligation of Cauldron to allot and issue any Cauldron Shares to which you are entitled under the Takeover Offer will be satisfied by:

(i) entering your name on the register of members of Cauldron; and

(ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on the most recent copy of Energia's register of members after the Takeover Offer goes unconditional, a confirmation of the issue of Cauldron Shares in your name. If Your Shares are held in a joint name, a confirmation of issue of new Cauldron Shares will be issued in the name of, and forwarded to the last recorded address on the most recent copy of Energia's register of members.

(e) If, at the time you accept the Takeover Offer, any of the following:

(i) Banking (Foreign Exchange) Regulations 1959 (Cth);

(ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);

(iii) Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008 (Cth);

(iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or

(v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for Cauldron to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Cauldron. As far as Cauldron is aware, as at the date of this Bidder's Statement, the persons to whom this Section 1.7(e) of this Annexure A will apply are: prescribed supporters of the former government of Yugoslavia; ministers and senior officials of the Government of Zimbabwe; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or entities controlled by any of those persons); the Taliban; members of the Al Qaida organisation; and a person named in the list maintained pursuant to Section 2 of Resolution 1390 of the Security Council of the United Nations.

1.8 Ineligible Foreign Shareholders

(a) If you are an Ineligible Foreign Shareholder (as that expression is defined in Section 11.1 of this Bidder's Statement), you may not be entitled to receive Cauldron Shares as the consideration for Your Shares as a result of accepting the Takeover Offer, and Cauldron may:

(i) arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the number of Cauldron Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for Section 1.1(d) of this Annexure A and the equivalent provision of each other offer under the Takeover Offer;

(ii) cause the Cauldron Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and

(iii) cause the Sale Nominee to pay to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Shareholders who accept the Takeover Offer receive the same proceeds per Energia Share, subject to rounding):

$$\frac{\text{Net Proceeds of Sale} \times \text{YS}}{\text{TS}}$$

Where:

Net Proceeds of Sale is the amount received by the Sale Nominee upon the sale of an Cauldron Share under this Section 1.8 of this Annexure A, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

YS is the number of Cauldron Shares which would, but for Sections 1.8(a)) and 1.8(d) of this Annexure A, have been allotted and issued to you; and

TS is the total number of Cauldron Shares allotted and issued to the Sale Nominee under this Section 1.8 of this Annexure A in respect of the Energia Shares held by all Ineligible Foreign Shareholders.

(b) You will be paid your share of the proceeds of the sale of Cauldron Shares by the Sale Nominee in Australian currency.

(c) Payment will be made by cheque payable in Australian Dollars and drawn on an Australian bank branch posted to you at your risk by ordinary mail (or in the case of overseas shareholders by airmail) as soon as practicable and in any event within the period required by the Corporations Act to your address recorded on the latest copy of the Energia shareholders register.

(d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Cauldron Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

1.9 Unmarketable Parcels

If you accept the Offer and are eligible under the Offer to be issued an Unmarketable Parcel of Cauldron Shares, the Cauldron Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee as if you were a Foreign Shareholder, with the net proceeds of the sale remitted to you in accordance with Section 1.8 of this Annexure A with references to "Foreign Shareholder" read accordingly.

1.10 Conditions of the Offer

(a) Subject to Sections 11.2(p) and 1.10(b)11.2(p) of this Annexure A, the Takeover Offer and any contract that results from acceptance of the Takeover Offer is subject to the fulfilment of the following conditions:

(i) (**minimum acceptance**) that at the end of the period in which the Offer is open ("Offer Period") the number of Energia Shares in which Cauldron has a relevant interest is at least 90% of all Energia Shares on issue at the end of the Offer Period;

(ii) (**no restraining orders**) that between the Announcement Date and the end of the Offer Period:

(A) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and

(B) no application is made to any Public Authority (other than by Cauldron or its Related Bodies Corporate), or action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which;

(C) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Cauldron in respect of Energia, any Energia Group Entity or Energia Shares to be acquired under the Offer; or

(D) requires the divestiture by Cauldron of any Energia Shares, or the divestiture of any assets of any Energia Group Entity, Cauldron or otherwise;

(iii) (**no material adverse effect**) that no event occurs between the Announcement Date and the end of the Offer Period that will or is reasonably likely to have a materially adverse effect on the assets and liabilities, financial position or performance, profits and losses or prospects of the Energia Group, including as a result of making the Offer or the acquisition of Energia Shares pursuant to the Offer. These events include, but are not limited to:

(A) any event or circumstance which constitutes or gives rise to or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by a Public Authority or any other person) give rise to the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any material rights under any mining interest or any contract material to the operations of the Energia Group;

(B) a natural disaster materially and directly affecting the operations of the Energia Group for a period of at least seven Business Days;

(C) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure, except in the ordinary course of business;

(D) any change in any applicable laws or regulations (including taxation, customs excise-or duty) which would result in a material impairment of the cost structure of the Energia Group; and

(E) any undisclosed events, occurrences, circumstances or matters which individually or when aggregated with all events, occurrences, circumstances or matters of a like kind or category has (or would be likely to have) the effect of diminishing the fair market value of the consolidated net assets of the Energia Group,

and includes, but is not limited to, an event:

(A) that occurs prior to the Offer Period but is only announced by Energia to the ASX or in relation to which Cauldron otherwise becomes aware during or after the Announcement Date; or

(B) that will or is likely to occur following the Offer Period and which has not been announced by Energia to the ASX prior to the Announcement Date,

but does not include:

(A) any matter fairly disclosed to Cauldron or its representatives or to the ASX or otherwise widely known publicly on or before the Announcement Date;

(B) any event, occurrence, circumstance or matter affecting the mining industry generally;

(C) any change in general economic, financial, currency exchange, securities or commodities market conditions; or

(D) any change in accounting policy required by law;

(iv) (**no material acquisitions, disposals or new commitments**) that except for any proposed transaction announced by Energia to the ASX before the Announcement Date, none of the following events occur during the period from the Announcement Date to the end of the Offer Period:

(A) any Energia Group Entity acquires, offers to acquire or lease or agrees to acquire or lease one or more companies, entities, securities, businesses or assets (or any interest in one or more companies, entities, securities, businesses or assets), other than in the ordinary course of business, or makes an announcement in relation to such an acquisition, offer or agreement;

(B) any Energia Group Entity disposes of or leases, offers to dispose of or lease or agrees to dispose of or lease one or more companies, entities, securities, businesses or assets (or any interest in one or more companies, entities, securities, businesses or assets), other than in the ordinary course of business, or makes an announcement in relation to such a disposition, offer or agreement;

(C) any Energia Group Entity enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, asset or profit sharing arrangement, management agreement, merger of businesses or of corporate entities or commitment which would require expenditure, the foregoing of revenue, or involving a commitment of securities, assets or liabilities by any Energia Group Entity, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement;

(D) any Energia Group Entity enters into any corporate transaction which would or would be likely to involve a material change in the manner in which any Energia Group Entity conducts its business, the nature (including balance sheet classification), extent or value of any Energia Group Entity's assets, or the nature (including balance sheet classification), extent or value of the liabilities of any Energia Group Entity;

(E) any Energia Group Entity incurs, commits to, or brings forward the time for incurring or committing, or grants to another person a right the exercise of which would involve any Energia Group Entity incurring or committing to any capital expenditure or liability, or foregoing any revenue, except for the incurrence of any capital expenditure in accordance with the day to day operating activities of the Energia Group as conducted before the Announcement Date;

(F) any Energia Group Entity waives any material third party default or accepts as a settlement or compromise of a material matter for materially less than the full compensation due to any Energia Group Entity; or

(G) any Energia Group Entity enters, agrees to enter into or renews any contract of service or varies or agrees to vary any existing contract of service with any current or proposed director or manager or makes or agrees to make any substantial change to the basis or amount of remuneration;

(v) (**change of control**) that on or during the period commencing on the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, has stated an intention to exercise, or has any rights (whether subject to conditions or not) under any:

(A) provision of any agreement or other instrument to which any Energia Group Entity is a party, or by or to which any Energia Group Entity or any of its assets may be bound or be subject, which could result, to an extent which is material in the context of Energia Group taken as a whole, in:

(I) any such agreement or other instrument being terminated, varied or modified or any action being taken or arising thereunder;

(II) the interest of any Energia Group Entity in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated, varied or modified; or

(III) the business of any Energia Group Entity with any other person being adversely affected; or

(B) provision of any Financial Arrangement to which any Energia Group Entity is a party, or by or to which any Energia Group Entity or any of its assets may be bound or be subject, which could result in:

(I) the terms of any such Financial Arrangement being varied, modified, denied or terminated or operating in a manner that is adverse to the commercial interests of the Energia Group; or

(II) any monies borrowed or raised by or any other monetary obligations of any Energia Group Entity being or becoming payable or repayable or being capable of being declared payable or repayable immediately or earlier than the payment date stated in such Financial Arrangement or otherwise accelerated or any transaction being closed out or becoming capable of being closed out before the maturity date stated in such Financial Arrangement,

as a result of the Offer or the acquisition of Energia Shares by Cauldron;

(vi) (**Prescribed Occurrences**) that on or during the period commencing on the Announcement Date and ending at the end of the Offer Period, none of the following events occur:

(A) Energia announces to pay, pays or declares any dividend or other distribution (except under any arrangement announced on the ASX before the Announcement Date or with the prior written consent of Cauldron;

(B) Energia converts all or any Energia Shares into a larger or smaller number of Energia Shares;

(C) Energia or any other Energia Group Entity resolves to reduce its capital in any way or reclassifies, combines, splits, redeems or repurchases directly or indirectly any securities;

(D) any Energia Group Entity:

(I) enters into a buy-back agreement;

(II) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1) of the Corporations Act); or

(III) enters into, or approves any other equivalent arrangement under foreign law similar to those in (I) and (II) above;

(E) any Energia Group Entity issues Energia Shares or other securities, or grants an option over Energia Shares or other securities, or agrees to make such an issue or grant such an option (except for Energia Shares that are issued between the Announcement Date and the end of the Offer Period as a result of the exercise of Energia Options, or conversion of convertible notes in Energia, on issue on the Announcement Date);

(F) any Energia Group Entity issues, or agrees to issue, convertible notes or convertible units;

(G) any Energia Group Entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(H) any Energia Group Entity charges, or agrees to charge, the whole, or a substantial part, of its business or property;

(I) any Energia Group Entity resolves to be wound up;

(J) a liquidator or provisional liquidator (or equivalent under foreign law) of any Energia Group Entity is appointed;

(K) a court makes an order for the winding up of any Energia Group Entity;

(L) an administrator of any Energia Group Entity is appointed under sections 436A, 436B or 436C of the Corporations Act (or its equivalent under any foreign law);

(M) any Energia Group Entity executes a deed of company arrangement (or its equivalent under any foreign law);

(N) a receiver or a receiver and manager (or their equivalents under any foreign law) is appointed in relation to the whole, or a substantial part, of the property of any Energia Group Entity; and

(O) any Energia Group Entity makes any change to its constitution or other constituent documents or a meeting being convened to consider a resolution to change a constitution or any other constituent document of any Energia Group Entity; and

(vii) (**Litigation**) between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any member of the Energia Group, which may reasonably result in a judgement of A$2.5 million or more, is commenced, threatened to be commenced, is announced, or is made known to Cauldron (whether or not becoming public), other than which is in the public domain as at the Announcement Date.

(p) Each condition in Section 1.10(a) of this Annexure A is a separate, several and distinct condition, operates as a condition subsequent (with the exception of the conditions in Section 1.10 of this Annexure A) and is for the benefit of Cauldron alone and may only be relied upon by Cauldron.

(b) All the conditions in Section 1.10(a)of this Annexure A are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in Section 1.10(a)(vi) of this Annexure A, until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Shares from arising, but entitles Cauldron by written notice to you, to rescind the contract resulting from your acceptance of this Offer.

1.11 Freeing the Takeover Offer of Conditions

Cauldron may free this Takeover Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.10(a) of this Annexure A by giving notice to Energia declaring the Takeover Offer to be free from the relevant conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given in relation to all other conditions in Section 1.10(a) not less than 7 days before the end of the Offer Period.

1.12 Freeing the Takeover Offer from Conditions

(a) If, at the end of the Offer Period, the conditions in Section 1.10(a) of this Annexure A have not been fulfilled and Cauldron has not declared the Takeover Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Takeover Offer will be automatically void.

(b) Subject to the provisions of the Corporations Act, Cauldron alone will be entitled to the benefit of the conditions in Section 1.10(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by Cauldron.

1.13 Notice of Status of Conditions

The date for giving the notice required by Section 630(1) of the Corporations Act is **9 August 2013**, subject to extension in accordance with 630(2) if the Offer Period is extended.

1.14 Quotation

(a) An application will be made within 7 days after the start of the Bid Period to ASX for the granting of quotation of the Cauldron Shares to be issued in accordance with the Takeover Offer. However, quotation is not granted automatically on application.

(b) Pursuant to the Corporations Act, this Takeover Offer and any contract that results from your acceptance of it are subject to a condition that permission for quotation by ASX (as the circumstances require) of the Cauldron Shares to be issued pursuant to the Takeover Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Takeover Offers will be automatically void.

1.15 Withdrawal of Offer

Cauldron may withdraw this Takeover Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Cauldron will give notice of the withdrawal to ASX and to Energia and comply with any other conditions imposed by ASIC.

1.16 Variation

Cauldron may vary this Takeover Offer in accordance the Corporations Act.

1.17 Stamp Duty or Other Costs

(a) All costs and expenses of the preparation, dispatch and circulation of this Takeover Offer and any duty payable in respect of the transfers will be paid by Cauldron.

(b) As long as your Energia Shares are registered in your name and you deliver them directly to Cauldron, you will not incur any brokerage in connection with your acceptance of this Takeover Offer.

1.18 Governing Law

This Takeover Offer and any contract that results from your acceptance of this Takeover Offer is governed by the laws in force in Western Australia.

(a) Date of Offer

This Takeover Offer is dated 16 May 2013.

ANNEXURE B – CAULDRON'S ASX ANNOUNCEMENTS

The Company has lodged the following announcements with ASX since 1 July 2012:

Date	Description of Announcement
30/04/2013	Quarterly Activity Report and Cash Flows
17/04/2013	Diamond Drilling to Test Barradale Channel at Yanrey
16/04/2013	Company Presentation
02/04/2013	EMX: Energia Substantial Shareholders reject CXU Offer
21/03/2013	Marree Project Exploration Update
18/03/2013	Energia: Takeover Offer by Cauldron Energy - Take No Action
18/03/2013	Cauldron Energy Takeover Offer for Energia Minerals
15/03/2013	Request for Trading Halt
15/03/2013	Trading Halt
14/03/2013	Company Presentation
12/03/2013	Half Yearly Accounts
11/03/2013	RTR: Exploration Update
08/03/2013	Change of Director's Interest Notice
08/03/2013	Change in substantial holding
08/03/2013	Change in substantial holding
27/02/2013	Reply to ASX Price & Volume Query
21/02/2013	New Exploration Target at Yanrey Project
07/02/2013	300% Growth in Uranium Resource at Yanrey Project
31/01/2013	Quarterly Activities Report and Appendix 5B
19/12/2012	Drilling to Commence in January 2013
23/11/2012	Results of Meeting
21/11/2012	Clarifying Announcement
21/11/2012	Third Large High Grade Uranium Channel Discovered at Yanrey
14/11/2012	Appendix 3B and Cleansing Statement
13/11/2012	Accelerated Drilling Program at Marree Project
09/11/2012	Bennet Well South Intersect 11m Wide Uranium Zone
05/11/2012	Listed Options
31/10/2012	Company Presentation
31/10/2012	Quarterly Activities Report and Cash Flows
31/10/2012	Partial Underwriting of Listed Options
31/10/2012	Change of Director's Interest Notice
30/10/2012	Peak Grade Intersection of nearly 1% Uranium at Yanrey
29/10/2012	Further Drilling Results at Yanrey Project
25/10/2012	New High Grade Uranium Zone Discovered at Yanrey
24/10/2012	Trading Halt
19/10/2012	Appendix 3B - Exercise of Listed Options

Date	Description of Announcement
17/10/2012	Base Metals Discovery in South Australia
16/10/2012	Notice of Annual General Meeting
16/10/2012	Appendix 3B - Exercise of Listed Options
15/10/2012	Trading Halt
12/10/2012	Appendix 3B - Exercise of Listed Options
08/10/2012	Response to ASX Price Query
05/10/2012	UEQ: Withdrawal from West Lake Frome Project
03/10/2012	Expiry of Listed Options
28/09/2012	Company Presentation
25/09/2012	Ceasing to be a substantial holder
24/09/2012	RTR: IP Targets Defined at Beadell Project
20/09/2012	Response to ASX Price and Volume Query
19/09/2012	Appendix 3B
13/09/2012	Annual Report
28/08/2012	Cauldron to commence Yanrey Drilling Program
02/08/2012	Change of Director's Interest Notice - Qiu
02/08/2012	Change in substantial holding - Qiu
02/08/2012	Change in substantial holding from CFE
02/08/2012	Conversion of 100% of Convertible Notes
02/08/2012	Reinstatement to Official Quotation
31/07/2012	Quarterly Activities Report and Appendix 5B
30/07/2012	Suspension from Official Quotation
26/07/2012	Request for Trading Halt
26/07/2012	Trading Halt
02/07/2012	Change in Substantial Holding for EUL

ANNEXURE C – ENERGIA'S ASX ANNOUNCEMENTS

Energia has lodged the following announcements with ASX since 1 July 2012:

Date	Description of Announcement
30/04/2013	Quarterly Report and Cash Flows
29/04/2013	Scoping study on Carley Bore Uranium Deposit Commenced
18/04/2013	Cauldron: Diamond Drilling to Test Barradale Channel at Yanrey
02/04/2013	Energia Substantial Shareholders reject CXU Offer
18/03/2013	Takeover Offer by Cauldron Energy - Take No Action
18/03/2013	Cauldron: Cauldron Energy Takeover Offer for Energia Minerals
05/03/2013	Corporate Presentation
26/02/2013	33% Increase in Carley Bore Uranium Resource to 16.7Mlbs
22/02/2013	Trading Halt
21/02/2013	Half Yearly Accounts
29/01/2013	December Quarterly Report and Appendix 5B
17/01/2013	Carley Bore Assays - Best Uranium Results from Program
04/01/2013	Further Strong Uranium Assays Received at Carley Bore
02/01/2013	Appendix 3Y - Kim Robinson
18/12/2012	Carley Bore drilling delivers strong results
13/12/2012	Change in substantial holding
13/12/2012	Change in substantial holding from CNX
11/12/2012	Change in substantial holding from UEQ
10/12/2012	Appendix 3B - Underwritten Shortfall
06/12/2012	Appendix 3Z - Leigh Bettenay
05/12/2012	Resignation of Director
05/12/2012	Appendix 3Y - Tony Iannello
05/12/2012	Appendix 3Y - Max Cozijn
05/12/2012	Appendix 3Y - Leigh Bettenay
05/12/2012	Appendix 3Y - Kim Robinson
05/12/2012	Appendix 3Y - Ian Walker
05/12/2012	Appendix 3B Grant of Options
05/12/2012	Appendix 3B Rights Issue
03/12/2012	Closure of Rights Issue
29/11/2012	Results of Meeting
29/11/2012	AGM Chairman's Address and Presentation
26/11/2012	High Grade Intersection Confirms Extension to Carley Bore
21/11/2012	Grant of Queensland Tenements
16/11/2012	Drilling Confirms Northern Extensions of Carley Bore
13/11/2012	Despatch of Offer Document
05/11/2012	Energia Commences Expanded Drilling Program at Nyang Project
02/11/2012	Initial Substantial Holder Notice from UEQ

Date	Description of Announcement
02/11/2012	Placement Completed, Commencement of Drilling, Director App.
02/11/2012	Initial Director's Interest Notice - Bryn Jones
01/11/2012	Letter to Shareholders - Rights Issue
31/10/2012	Offer Document Non-Renounceable Rights Issue
31/10/2012	Rights Issue - Notice to Optionholders
31/10/2012	Appendix 3B
31/10/2012	Notice Under Section 708AA
31/10/2012	September Quarterly Report and Appendix 5B
31/10/2012	Cornerstone Investor Secured and Underwritten Rights Issue
31/10/2012	Strategic Investment in Energia Minerals
31/10/2012	Reinstatement to Official Quotation
29/10/2012	Suspension from Official Quotation
26/10/2012	Annual Report to shareholders
26/10/2012	Notice of Annual General Meeting/Proxy Form
25/10/2012	Trading Halt
18/10/2012	Energia to Commence Drilling at Carley Bore Uranium Project
03/10/2012	Resources Rising Stars - Presentation
17/09/2012	Full Year Statutory Accounts
14/09/2012	Energia to Commence New Uranium Drilling Program
13/09/2012	Change of Director's Interest Notice - Kim Robinson
12/09/2012	Change of Director's Interest Notice - K Robinson
02/08/2012	Change of Director's Interest Notice - K Robinson
27/07/2012	June Quarterly Report and Appendix 5B
13/07/2012	Change of Director's Interest Notice
10/07/2012	Drill Rig on Site to Test Cu-Au-U Gawler Craton Targets
06/07/2012	Change of Director's Interest Notice