

13 November 2012

Australian Securities Exchange Limited  
2 The Esplanade  
PERTH WA 6000

## UPDATE ON SPRINT SHARES

Sprint Energy Ltd ("Sprint") (ASX Code: SPS) is pleased to provide an update to the market about the progress made by the Company in relation to the current trading suspension.

The Company confirms on 9 November 2012, an application was lodged, with the Federal Court seeking to urgently hear this matter and obtain declaratory relief and ancillary orders relating to the issue of securities and the subsequent offer for sale or sale by subscribers to those securities to facilitate the .

The Company will also be lodging tomorrow supporting affidavits with the Federal Court, in order to assist in expediting the matter. These affidavits have also been supplied to ASIC and the ASX.

The matter is currently set down to be heard at the Federal Court on Thursday, 15 November 2012 at 2:15pm.

Provided the Federal Court approves the orders currently sought at the application hearing, the Company expects to be trading on the ASX shortly thereafter.

The Company confirms an amended Short Form Prospectus ("Prospectus") dated 12 November 2012, was lodged with ASIC. A copy of the short form prospectus is also attached with this letter.

The Prospectus has been issued to facilitate the secondary trading of all securities issued by the Company over the last twelve (12) months, pursuant to capital raising and debt conversions.

The Prospectus is also presented to the market to provide information on the Offer of 100 Sprint shares at an issue price of \$0.02 to raise \$2.00.

The Company shall provide an update to the market on future developments to the suspension, as further information comes to hand.

PLEASE NOTE THIS ANNOUNCEMENT DOES NOT SERVE TO LIFT THE SUSPENSION OF THE COMPANY'S SECURITIES, WHICH WILL REMAIN IN PLACE PENDING FURTHER ANNOUNCEMENTS ON THE MATTER.

Yours sincerely  
**Sprint Energy Ltd**

A handwritten signature in blue ink, appearing to read "Brad Boyle".

**Brad Boyle**  
Managing Director

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**About Sprint Energy Ltd:** Sprint Energy Ltd is an independent oil and gas exploration and production Company, listed on the Australian Stock Exchange (ASX Code: SPS). Its primary focus of operations is Gulf Coast, USA and Russia.

**Forward-Looking Statements:**

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Sprint Energy Limited's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Sprint Energy Limited believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.



**SPRINT ENERGY LIMITED  
(ACN 147 324 847)**

**PROSPECTUS**

This Prospectus has been issued to facilitate the secondary trading of Securities issued pursuant to a Capital Raising. It has also been issued to provide information on the Offer of 100 Shares at an issue price of \$0.02 to raise \$2.00.

**This Prospectus is dated 12 November 2012**

## **Important Notice**

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

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

### **Directors**

Jaap Poll (Non-Executive Chairman)  
Brad Boyle (Managing Director)  
James Thompson (Non-Executive Director)  
Andrew Chapman (Non-Executive Director)  
Jon Roestenberg (Non-Executive Director)

### **Company Secretary**

Melanie Leydin

### **Registered and Principal Office**

Sprint Energy Limited  
1186 Hay Street  
West Perth WA 6005  
Phone 08 9215 4200  
Fax 08 9215 4299  
Email [email]  
Website [www.sprintenergy.com.au](http://www.sprintenergy.com.au)

### **Share Registry \***

Computershare Investor Services Limited  
150 Stirling Highway  
Nedlands, Western Australia 6909  
Phone 08 9389 8033  
Fax 08 9389 7871  
Website [www.advancedshare.com.au](http://www.advancedshare.com.au)

### **Solicitors**

Frichot & Frichot  
6 Norfolk Street  
Fremantle, Western Australia 6160  
Phone: 08 9335 9877  
Fax: 08 9336 1291

### **ASX CODE (SPS)**

### **Auditors**

Nexia Perth Audit Services Pty Ltd  
Level 7, The Quadrant, 1 William Street  
PERTH WA 6000  
Phone 08 9463 2463  
Fax 08 9463 2499

\* For information purposes only

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## **IMPORTANT NOTES**

This Prospectus dated 12 November 2012. A copy of this Prospectus was lodged with the ASIC on 12 November 2012. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No Shares will be issued or granted on the basis of this Prospectus later than thirteen (13) months after the date of issue of this Prospectus. The Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply for the Shares offered pursuant to this Prospectus to be listed on the ASX. An application for the Shares will only be accepted on the Application Form accompanying this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### **Key Definitions**

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 6 of this Prospectus.

## **1 DETAILS OF OFFER**

### **1.1 Purpose of the Offer**

#### **December Share Issue**

As announced on 4 January 2012, 48,375,000 fully paid ordinary shares were issued by Sprint to the holders of convertible notes issued in September 2011 to satisfy the debt owing to those note holders.

Those shares were issued on 30 December 2011 and the agreement of shareholders to such issue was obtained on at a General Meeting of Shareholders on 16 December 2011.

The funds raised were used for working capital of the Company to continue current work on Padre Island and consider and review other project acquisition opportunities in the USA and elsewhere.

#### **January Share Issue**

On 16 January 2012, 17,970,000 fully paid ordinary shares were issued by Sprint. 14,150,000 of those shares were for the conversion of convertible notes issued in September 2011 with Eldore Mining Corp Ltd and Leopard Resources NL and the balance were for debt reduction with AM Securities Pty Ltd.

Such shares were issued subject to approval of the Annual General Meeting of Sprint ("AGM"), which approval was subsequently obtained from shareholders at the AGM.

#### **First February Share Issue**

On 7 February 2012 Sprint issued 7,380,000 fully paid ordinary shares. Those shares were issued in settlement of court proceedings.

No shareholder approval for such issue was obtained or required as these were issued under the Company's fifteen (15%) percent capacity pursuant to Listing Rule 7.1.

#### **Second February Share and Option Issue**

On 27 February 2012 Sprint issued 67,500,000 fully paid ordinary shares. Of the Second February Issue, 62,500,000 shares were issued pursuant to convertible loan agreements between Sprint and certain professional and sophisticated investor clients of Truestone Capital, and also in respect of the renegotiation of loans payable to both Leopard Resources Limited, Eldore Mining Corporation Limited and Truestone Capital Limited.

5,000,000 shares in the Second February Issue were issued in part-consideration for settlement of the BNP Bankruptcy case.

As payment for services and debt conversion 60,000,000 unlisted options were issued to Truestone Capital Limited in two tranches, namely 55,000,000 options exercisable at \$0.06 (6 cents) on or before 31 March 2015 and 5,000,000 options exercisable at \$0.04 (4 cents) on or before 31 March 2015.

The funds raised were used for working capital of the Company to continue current work on Padre Island and consider and review other project acquisition opportunities in the USA and elsewhere.

### **March Share Issue**

On 1 March 2012 Sprint issued 10,000,000 fully paid ordinary shares as part-consideration for convertible notes issued in September 2011 with Eldore Mining Corp Ltd and Leopard Resources NL.

### **May Share Issue**

On 22 May 2012 Sprint issued 10,000,000 fully paid ordinary shares as part-consideration for settlement of legal proceedings instituted against Sprint by Richelon Pty Ltd and Caerleon Advisory Pty Ltd.

### **June Share Issue**

On 29 June 2012, Sprint issued 210,400,537 fully paid ordinary shares. The June Issue was approved by the shareholders at a general meeting of Sprint's shareholders held on 29 June 2012.

The shares the subject of the June Issue arose out of the following:

- (a) the issue of 5,000,000 ordinary shares in Sprint to TPE Operating LLC as settlement of legal proceedings instituted against Sprint by TPE Operating LLC;
- (b) conversion of a loan of \$250,000 advanced to Sprint by Entrust Investment Fund ("Entrust") pursuant to the terms of a converting loan agreement in place between Sprint and Entrust;
- (c) conversion of a loan of \$500,000 advanced to Sprint by Entrust pursuant to the terms of a converting loan agreement in place between Sprint and Entrust;
- (d) the issue of 29,935,841 ordinary shares to Eldore Mining Corporation Limited ("Eldore") to convert an outstanding loan owing to Eldore into shares;
- (e) the issue of 37,964,698 ordinary shares to Leopard Resources NL ("Leopard") to convert an outstanding loan owing to Leopard into shares; and
- (f) the issue of 100,000,000 ordinary shares in Sprint to Provencal Holdings (WA) Pty Ltd ("Provencal") to convert an outstanding loan owing to Provencal into shares, and such shares were agreed by Provencal to be unilaterally retained by it in escrow for a period of twelve (12) months and have not been traded by it since their issue.

The funds raised were used for working capital of the Company to continue current work on Padre Island and consider and review other project acquisition opportunities in the USA and elsewhere.

### **First August Share Issue**

On 13 August 2012 Sprint issued 24,910,114 fully paid ordinary shares. The issue was for the conversion of loans advanced to Sprint by certain professional and sophisticated investor clients of Merchant Capital Markets Pty Ltd to shares.

The funds raised were used for working capital of the Company to continue current work on Padre Island and consider and review other project acquisition opportunities in the USA and elsewhere.

### **Second August Share Issue**

On 24 August 2012 Sprint issued 1,649,307 fully paid ordinary shares. The issue was as a result that the Company on 24 January 2011 inadvertently sent a two requests to the Company's share registry to issue 8,246,289 (pre-consolidation of capital, 1,649,257 shares post consolidation). The Company became aware of this double up issue of shares in January 2012 and the request made by the Company was not processed until May 2012 where the shares were sold on market by the shareholder for a consideration amount of \$26,364 (1.6 cents per share). The share registry has since retrieved the proceeds from this sale of shares and forwarded the proceeds to the Company.

The funds raised were used for working capital of the Company to continue current work on Padre Island and consider and review other project acquisition opportunities in the USA and elsewhere.

### **September Share Issue**

On 6 September 2012, the Company undertook an equity capital raising in Australia to raise A\$2,000,000 (before costs) ("**Capital Raising**").

The Capital Raising is being undertaken in two tranches:

- Tranche one – 76,880,000 fully paid ordinary Shares at an issue price of A\$0.02 per Share to professional and sophisticated investors ("**Tranche One**"); and
- Tranche two – 23,120,000 fully paid ordinary Shares at an issue price of A\$0.02 per Share to professional and sophisticated investors subject to shareholder approval ("**Tranche Two**").

Tranche One was completed and settled on 19 September 2012.

Tranche Two may be subject to Shareholder approval which would be sought at the Company's next general meeting of Shareholders or if appropriate via the Company's fifteen (15%) percent capacity under ASX Listing Rule 7.1.

The funds raised in the September Share Issue were applied to the successful completion of the finance stages of the technical and legal due diligence on OOO Bakcharneftegaz ("BNG") and Block 71-1, continue current work on Padre Island and other Gulf Oil and Gas assets in the USA and consider and review other project acquisition opportunities in the USA and elsewhere.

This Prospectus has been issued to facilitate secondary trading of Shares the subject of December Share Issue, January Share Issue, First and Second February Share and Option Issues, March Share Issue, May Share Issue, June Share Issue, First and Second August Share Issues, Tranche One of the September Share Issue ("**Capital Raising Shares and Options**") as they were issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to

enable persons who were issued Capital Raising Shares and Options to on-sell those Shares within twelve (12) months of their issue without disclosure.

The Company did not issue the Capital Raising Shares and Options with the purpose of the persons to whom they were issued selling or transferring those securities, or granting, issuing or transferring interests in, those securities. However, the board of the Company consider that such persons that have been issued the Capital Raising Shares and Options should be entitled, should they wish, to on-sell their Capital Raising Shares and Options prior to the expiry of twelve (12) months after their issue.

This Prospectus has also been issued to provide information on the Offer being made under this Prospectus which information is required to be disclosed by the *Corporations Act 2001*.

## 1.2 **Details of the Offer**

By this Prospectus, the Company is offering 100 Shares to the public at an issue price of A\$0.02 to raise A\$2.00.

## 1.3 **Opening and Closing Dates**

The Offer will open for receipt of acceptances at 9.00am AWDT on 13 November 2012 and will close at 5.00pm AWDT on 15 November 2012 or such other date as the Directors, in their absolute discretion, may determine.

## 1.4 **Minimum Subscription**

The minimum level of subscription for the Offer is 100 Shares to raise A\$2.00.

## 1.5 **Brokerage and Commission:** No brokerage or commission payable.

It should be noted that Merchant Capital Markets Pty Ltd ("Merchant") have been engaged as the broker for the Capital Placement and Mr Andrew Chapman who is a Director of Merchant is also a Non-Executive Director of the Company.

## 1.6 **Applications**

An application for the Shares can only be made on the Application Form which accompanies a paper copy of this Prospectus.

Cheques should be in Australian currency and made payable to "**Merchant Capital Markets Pty Ltd**" and crossed "**Not Negotiable**".

Completed Application Forms must be accompanied by the application monies and lodged in person or by post with the Company:

### ***By Hand:***

Merchant Capital Markets Pty Ltd  
Suite 43, 145 Stirling Highway  
NEDLANDS WA 6009

**By Post:**

Merchant Capital Markets Pty Ltd  
PO Box 883  
NEDLANDS WA 6909

Applications must be received by 5.00 pm AWDT on 15 November 2012 (subject to the right of the Directors to close the Offer earlier or to extend this date without notice).

Should you wish to apply for the Shares, the instructions on the back of the Application Form will assist you to ensure that the Application Form is completed correctly.

**1.7 Oversubscription and Allotment of Shares**

If the Company receives more than one Application for the Shares being offered under this Prospectus, the Directors will decide, in their absolute discretion, which Application to accept and which Applicant the Shares shall be allotted and issued to.

The Shares are expected to be allotted and issued by no later than 20 November 2012. Until allotment and issue of the Shares under this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the application money will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the Shares takes place.

**1.8 ASX Listing**

The Company will make an application to the ASX within seven (7) days following the date of this Prospectus for official quotation of the Shares offered pursuant to this Prospectus.

If approval is not granted by the ASX within three (3) months after the date of this Prospectus, the Company will not allot the Shares and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by the ASX to grant official quotation of the Shares is not to be taken in any way as an indication of the ASX's view as to the merits of the Company, or the Shares now offered for subscription.

**1.9 No issue of Shares after 13 months**

No Shares will be allotted or issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

**1.10 Overseas Investors**

Investors resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Distribution of

this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Lodgement of a duly completed Application Form will be taken by the Company as constituting a representation that there has been no breach of such laws. No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

#### 1.11 **Use of Funds**

The funds raised from the Offer will be used for working capital of the Company.

#### 1.12 **Risk Factors**

The Shares offered by this Prospectus are of a speculative nature. Prospective investors should carefully consider the risk factors outlined in Section 3 of this Prospectus.

## **2 PURPOSE AND EFFECT OF THE OFFER ON THE COMPANY**

2.1 **Principal Effects** The principal effects on the Company of the Offer are dependent on the success of the Offer. However, assuming the Offer is fully subscribed the principal effects are as follows:

- (a) The Company will issue 100 Shares.
- (b) Following the issue of the Share, the cash reserves of the Company will increase by A\$2.00 less expenses of the Offer which are estimated to be approximately \$12,000.
- (c) If the Shares proposed to be issued are issued, the number of Shares on issue will increase from 763,543,513 to 763,543 613. (excluding Tranche 2 raising)

#### 2.2 **Balance Sheet and Capital Structure**

Set out as follows is an audited balance sheet of the Company and its controlled entities as at 30 June 2012 and the proposed capital structure of the Company after the Capital Raising (less funds raised from Tranche Two as it is conditional upon receipt of Shareholder approval) and the Offer:

<b>Consolidated Balance Sheet</b>		
<b>Pro-forma Reflecting Proposed Offer</b>		
	<b>Audited</b>	<b>Proforma</b>
	<b>30-Jun-12</b>	<b>Unaudited</b>
	<b>30-Jun-12</b>	<b>30-Jun-12</b>
<b>Current Assets</b>		
Cash at Bank	276,644	2,126,644
Trade Receivables	384,551	384,551
<b>Total Current Assets</b>	<b>661,195</b>	<b>2,511,195</b>
<b>Non Current Assets</b>		
Plant and Equipment	102,342	102,342
<b>Total Non Current Assets</b>	<b>102,342</b>	<b>102,342</b>
<b>Total Assets</b>	<b>763,537</b>	<b>2,613,537</b>
<b>Current Liabilities</b>		
Trade Creditors	1,250,388	1,250,388
Borrowings	293,400	293,400
Employee Benefits	4,662	4,662
Provisions	2,001,065	2,001,065
<b>Total Current Liabilities</b>	<b>3,549,515</b>	<b>3,549,515</b>
<b>Total Liabilities</b>	<b>3,549,515</b>	<b>3,549,515</b>
<b>Net Assets</b>	<b>- 2,785,978</b>	<b>- 935,978</b>
<b>Equity</b>		
Issued Capital	64,146,270	65,996,270
Option Reserve	- 2,877,969	- 2,877,969
Retained Earnings	- 64,054,279	- 64,054,279
	<b>- 2,785,978</b>	<b>- 935,978</b>

### 2.3 Capital Structure of the Company

The pro-forma capital structure of the Company following the Offer pursuant to this Prospectus is set out below:

Shares	Number
Existing Shares on Issue	763,543,513
Maximum number of shares to be issued pursuant to this Prospectus	100
<b>Total Shares on Issue After the Offer</b>	<b>763,543,613</b>
<i>Note: 100,000,000 shares are restricted to 29 June 2013, 10,000,000 shares are restricted to 1 March</i>	
Options	Number
Unlisted options on issue	61,500,000
- Options exercisable at 20 cents on or before 31 December 2012	1,500,000
- Options exercisable at 6 cents on or before 31 March 2015	55,000,000
- Options exercisable at 4 cents on or before 31 March 2015	5,000,000
	<b>61,500,000</b>

## 2.4 Overview of the Company and Projects

### OVERVIEW

The last twelve months has seen a dramatic improvement for the Company. The Company changed its name to Sprint Energy Ltd. ("Sprint") and the Board has gone from a recovery focus through to acquisition and development of near-production oil and gas assets.

Overall it has been a very successful year. Most significantly the Company is in a substantially better financial position than it was at the end of the last financial year (30 June 2011) and efforts continue to improve this further and to identify new opportunities to expand the Company's current asset base.

### PRODUCTION OPERATIONS

During the 2012 financial year, production on Padre Island and at Sullivan City totalled approximately 17 MMcf of gas and some 855 barrels of crude oil, generating revenue of almost \$107,000 for the Company. Although gas prices have recovered some ground over the first half of 2012, they are still at historically low levels, which adversely affects Company revenues.

#### Block 71-1

On 8 August 2012, Sprint advised it had entered into an option agreement with Electrosecur Limited who had rights to obtain a seventy four (74%) percent equity interest in specialist Russian Oil Company, OOO Bakcharneftegaz ("BNG"), a company duly incorporated under the laws of the Russian Federation and holder of License Block 71-1 in the Tomsk region of West Siberia.

Block 71-1 contains two wells drilled in the Soviet period and the intention of the Company is to re-enter the well to establish its oil potential. Depending on the results of the re-entry, the Company would consider drilling a new well on a seismically defined reef structure to test potential oil prospective zones in both the Jurassic and Palaeozoic sequences.

Subsequently, the Company managed to renegotiate better terms with Electrosecur Limited in relation to the acquisition of BNG and as a result of this established relationship, other projects in the region have been offered to the Company.

### **PADRE ISLAND LEASE AND ASSET REVIEW**

A technical and economic review of the Company's Padre Island assets commenced in late 2011. In May 2012, the review was assisted with the acquisition of additional seismic data. The current review of the Company's assets is to identify the most appropriate course of action to maximise the inherent value of the Company's infrastructure and whether it is economic to re-develop the assets.

As advised, a number of the Padre Island leases were automatically terminated due to non-production. It should be noted that Sprint retains ownership of all wells, production facilities and equipment on all of the expired leases.

During the June 2012 quarter the Company was not in a position to move forward with applications to reacquire some of the lapsed leases on Padre Island and at this stage the Company will postpone this process to early next year. The Company will review these lease applications once the Company has a better understanding of the other proposed projects and its relevant financial commitments associated with those projects.

The Company continued to review additional seismic and other technical data for Padre Island and with the intention of using this new information to assist in the process of identifying the possible deep well potential on the project.

Additionally, the Company is looking at ways to increase the carrying value of the substantial infrastructure that Sprint owns on Padre Island, which may include engaging strategic partners to help fund some of the exploration and production activities on the project

### **Subsequent Events**

Subsequent to the Capital Placement Company entered into two new options to acquire projects in Russia. The Penza and Block 95-3 projects are presently subject to the completion of due diligence and the obtaining of board and shareholder approval.

### **Penza Project**

On 20 September 2012, the Company announced that it had signed a Heads of Agreement ("HOA") with Burtasi Oil through its Australian agents, Petroscope Pty Ltd, herein after called ("Burtasi"), to acquire up to a 70% interest in Burtasi Oil, which is the 100% holder of two prospective licenses called Shatkinsky and Pionersky in the prolific Volga-Urals Basin, Penza Region, Russian Federation.

The prospective Shatkinsky and Pionersky licenses (31km<sup>2</sup> and 87km<sup>2</sup> respectively) contain six seismically defined prospects, which are subject to further de-risking by new seismic acquisition.

Based on available data, Burtasi have calculated a total of 71mmbbls OOIP (original oil in place) or 13mmbbls, P50 indicative potentially recoverable reserves, in the same Carboniferous and Devonian carbonate formations as those producing in adjacent oil fields less than 6km from the Burtasi license boundary.

Both Licenses are close to major infrastructure, pipelines and markets. Produced Oil from the area attracts world parity pricing WTI less 10% and the fiscal regime is favourable.

Under the terms of the HOA, Sprint was granted a 90 day exclusivity period, for US\$250,000, to allow time for due diligence and to secure the opportunity. Sprint is to pay US\$1M on signing a formal Share Purchase Agreement and a Joint Operating Agreement (JOA) on or before the end of the 90 day exclusivity period.

Upon signing and committing to Phase One, Sprint will earn 30% of Burtasi Oil through funding Geological and Geophysical activities (G & G), and 50km 2D seismic on each block for an estimated cost of US\$650,000 and assumes operatorship under a JOA.

Sprint can proceed to Phase Two by committing to fund the drilling of one or two wells before 1 May 2016 for the remaining 40%. These wells will be drilled to approximately 1850m and are estimated to cost about US\$3.5M.

### **Block 95-3**

On 25 September 2012, Sprint advised it had entered into an option agreement with Terra Limited ("Terra") the holder of Licence Block 95-3 in the Tomsk region of West Siberia. Under the Term Sheet, Sprint has the right to earn up to seventy five (75%) percent equity interest in Terra Ltd, a company duly incorporated under the laws of the Russian Federation.

The Project has a combined area of 360km<sup>2</sup> and is located in the southern section of the Tomsk Basin within close proximity of established oil production centres.

The Project is adjacent to Block 86, which produces in excess of 15,000boe p/day.

Terra confirmed that three exploration wells were drilled in the Block starting in the Soviet period (1970's). The first well (Well No 1) was drilled on the Parbigskaya structure and intersected oil saturated Jurassic reservoirs

Subject to confirmation under due diligence, the Company sees good potential to increase the current 70-80 barrels per day flow potential from Well No 1 to around 150-200 barrels per day, by early 2013.

The license is only 11kms from the nearest all weather road and plans are underway to construct an all year access road to Well No 1.

Terra advised that logs from all three existing wells indicate potential oil saturated intervals of Palaeozoic and Jurassic age. These additional intervals provide good upside potential.

Terra has mapped three structures with near drill-ready prospects, including proposed Well No 5. The intent of Well No 5 is to increase oil production and reserves.

Under the option, Sprint has been granted a 60 day exclusivity period to complete its Due Diligence. Sprint will pay US\$300,000 as an option payment on signing a formal purchase agreement on or before the end of the 60 day exclusivity period.

Sprint shall have six (6) months to spend US\$1.2M during Stage 1 to earn 25% of Block 95-3 through the funding of drilling and access activities. Sprint shall have a further twelve (12) months to spend US\$10M during Stage 2, to earn a cumulative total of 55% of Block 95-3 through funding additional drilling and exploration activities.

Finally, Sprint shall have an additional twelve (12) months to spend US\$10M during Stage 3, to earn a cumulative total of 75% of Block 95-3 through funding further exploration, appraisal and development activities.

For further details on the transactions relating to Block 71-1, Block 95-3 and Penza please refer the Sprint website at <http://www.sprintenergy.com.au>.

### **3 RISK FACTORS**

#### **3.1 Introduction**

The Shares offered under this Prospectus are considered speculative. This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks which may be higher than the risks associated with an investment in other companies. The Directors strongly recommend that investors examine the entire contents of this Prospectus and consult their professional advisers before deciding whether to apply to participate in the Offer.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of:

#### **3.2 General Risk Factors**

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business and its involvement in the oil and gas exploration industry.

#### **3.3 Share Investment**

Applicants should be aware that there are risks associated with any share investment. The prices at which the Company's shares trade may be above or below the issue price for the Shares under this Prospectus. The trading price of the shares is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's operating result or new services by the Company or its competitors.

The Shares allotted under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

Certain statements in this Prospectus constitute forward-looking statements that are subject to risks and uncertainties which may cause the actual income and expenditure of the Company to be different from expectations both expressed and implied.

### 3.4 **Exploration and Mining Risks**

The future viability and profitability of the Company as a mining and exploration company will be dependent on a number of factors, including, but not limited to, the following:

- (a) commodity prices;
- (b) risks inherent in exploration and mining including, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations and competent management;
- (c) the risk of material adverse changes in the government policies or legislation of Australia or other countries where the Company carries on business or owns assets affecting the level of mining and exploration activities;
- (d) the strength of the equity and share markets in Australia and throughout the world;
- (e) general economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates, supply and cost of labour and inputs, commodity supply and demand factors and industrial disruptions;
- (f) environmental management issues with which the Company may be required to comply from time to time;
- (g) poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- (h) unforeseen major failures, breakdowns or repairs required to key items of mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- (i) financial failure or default by a participant in any of the joint ventures to which the Company is, or may become, a party;
- (j) insolvency or other managerial failure by any of the contractors used by the Company in its mining and exploration activities; and
- (k) industrial disputation in Australia and overseas.

### 3.5 **Speculative Nature of Investment**

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

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

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

### 3.6 **General Market Conditions**

The Company is seeking to raise capital to fund its short to medium term objectives. The ability of the Company to raise capital is largely dependent upon general economic and market conditions with specific attention toward the resource sector and commodity prices.

### 3.7 **Reserves Estimates**

Reserves estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available.

In addition, reserves estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

Should the Company encounter oil formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and exploration plans may have to be altered in a way which could adversely affect the Company's prospects.

### 3.8 **Exploration and Development Risks**

Oil and Gas exploration and production development are high risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground and the high average costs of discovery of an economic recoverable reserve, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems, all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development of the mineral interests described in this document or any other projects that may be acquired in the future, will result in the development of an economic resource. Even if the Company holds an apparently viable deposit, there is no guarantee that it can be profitably exploited.

### 3.9 **Environmental Risks**

The Company's projects are subject to American and Russian Federation laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all oil and gas projects, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

### 3.10 **Shortage of Funding**

The funds raised by the Offer will be used to carry out work on projects as detailed in this Prospectus. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues may dilute shareholdings acquired under this Prospectus. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

### 3.11 **Renewal of Title**

All of the granted tenements in which the Company has an interest will be subject to applications for renewal, the success of which cannot be guaranteed. If a tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

### 3.12 **Commodity Price Risk**

The Company is exploring for oil and gas resources. The Company's ability to discover reserves containing economic quantities of these commodities will be closely related to the price of these commodities. Oil and gas prices fluctuate and are affected by factors beyond the control of the Company. These factors include world supply and demand for metals.

### 3.13 **Legal Risks**

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its securities.

### 3.14 **Extraterritorial Risks**

The Company has or may acquire interests in assets overseas and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the same, including costs associated with taking advice in relation to the

application of local laws as well as the cost of establishing a local presence in that jurisdiction and/or infrastructure as necessary. Fluctuations in the currency of the relevant jurisdiction may also affect the dealings and operations of the Company in such jurisdiction.

### **3.15 War and terrorist attacks**

War and 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 Company.

## **4 ADDITIONAL INFORMATION**

### **4.1 Legal Framework of this Prospectus**

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its shares.

### **4.2 Applicability of Corporations Act**

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and the securities are in a class of securities that were quoted ED securities at all times in the three (3) months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the three (3) months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Shares to be issued pursuant to this Prospectus is in a class of shares that were quoted on the stock market of ASX at all times in the three (3) months before the issue of this Prospectus.

### **4.3 Information Available to Shareholders**

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 30 June 2012; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2012 and before the issue of this Prospectus:

<b>Announcements</b>	
<b>Date</b>	<b>Announcement</b>
19-Sep-12	Tranche 1 of Raising completed
19-Sep-12	Section 708 A Cleansing Notice
19-Sep-12	Appendix 3B
20-Sep-12	Sprint signs Agreement Fore Reserves in Penza Region Russia
21-Sep-12	Trading Halt
21-Sep-12	Ceasing to be a substantial holder from SAT
25-Sep-12	Sprint Acquires a Further Project in Tomsk Region
25-Sep-12	Sprint Corporate Presentation - Penza Project
27-Sep-12	Annual Report to shareholders
03-Oct-12	Directors Appointment/Resignation
03-Oct-12	Initial Directors Interest Notice
09-Oct-12	Director Appointment/Resignation
11-Oct-12	Initial Directors Interest Notice
30-Oct-12	Notice of Annual General Meeting /Proxy Form
31-Oct-12	Quarterly Activities Report
31-Oct-12	Quarterly Cashflow Report
31-Oct-12	Amendment to AGM Notice of Meeting
02-Nov-12	Breach of Section 707(3)
02-Nov-12	Correction to Short Form Prospectus
05-Nov-12	Trading halt
06-Nov-12	Technical Due Diligence Update of Russian Projects
07-Nov-12	Suspension from Official Quotation
07-Nov-12	Request for Suspension

#### 4.4 **Rights Attaching to Shares**

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights that attach to the Company's existing Shares:

##### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class of Shares (at present there are none), at a general meeting every person present who is either a member or a proxy representative of a member shall have one vote on a show of hands or on a poll, every member present in

person, by proxy attorney or representative shall have one vote per fully paid Share and a fraction of a vote for every partly paid Share.

### **Dividend Rights**

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will (subject to the rights of any preference shareholders and to the right of holders of any shares created or raised under any special arrangement as to dividend) be payable on the shares in accordance with the Corporations Act.

### **Rights on Winding Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator sees fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

### **Transfer of Shares**

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

### **Creation and Issue of Further Shares**

Subject to restrictions on the allotment of share to Directors and their associates, Listing Rules, the Constitution and the Corporations Act, the allotment and issue of any shares is under the control of the Directors. The Directors may allot, issue and grant options on such terms and conditions as they in their absolute discretion determine.

### **Variation of rights**

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

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

## General Meeting

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

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

## 4.5 Interest of Directors

### **Directors' Holdings**

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Directors	Shares		Options	
	Direct	Indirect	Direct	Indirect
Mr Brad Boyle	-	-	-	-
Dr Jaap Poll	1,000,000	-	-	-
Mr James Thompson	-	34,935,840	-	-
Mr Andrew Chapman	2,786,071	49,225,624	-	-
Mr Jon Rosenberg	-	-	-	-

### **Notes:**

#### **Mr James Thompson**

On 30 July 2012 the Company announced the appointment of Mr Thompson as a Non-Executive Director of the Company. Mr Thompson is also a Director of Stratos Resources Ltd ("Stratos"). The Company confirms the indirect holdings of 34,935,840 Shares is the result of the shares held by Stratos.

#### **Mr Andrew Chapman**

On 9 October 2012 the Company announced the appointment of Mr Chapman as a Non-Executive Director of the Company. Mr Chapman is also a Director of Merchant Capital Markets Pty Ltd ("Merchant"). The Company confirms the indirect holdings of 49,225,624 Shares is the result of the shares held by Merchant.

### **Remuneration of Directors**

The constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently A\$350,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

### Financial year up to 30 June 2012

<b>30 June 2012</b>				
<b>Directors</b>	<b>Directors fees/salaries</b>	<b>Superannuation</b>	<b>Equity settled compensation</b>	<b>Indirect</b>
C Edwards	59,863	2,764	-	62,627
B Boyle	53,309	5,007	-	58,316
A Mattin	121,503	13,296	78,000	212,799
D Jendry	15,000	-	-	15,000
C Damiano	28,950	-	-	28,950
J Poll	25,024	-	-	25,024
C Martin	52,621	-	-	52,621
	<b>356,270</b>	<b>21,067</b>	<b>78,000</b>	<b>455,337</b>

### Financial year up to 30 June 2011:

<b>30 June 2011</b>				
<b>Directors</b>	<b>Directors fees/salaries</b>	<b>Superannuation</b>	<b>Equity settled compensation</b>	<b>Indirect</b>
A Hamilton	354,620	-	-	354,620
C Willis	300,833	18,750	-	319,583
A Waller	293,028	-	-	293,028
J Row	60,000	-	-	60,000
D Jendry	10,000	-	-	10,000
	<b>1,018,481</b>	<b>18,750</b>	<b>-</b>	<b>1,037,231</b>

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two (2) year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

#### 4.6 **Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two (2) year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Frichot & Frichot have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately A\$5,000 for these professional services. Frichot & Frichot have provided other professional services to the Company during the last two (2) years.

#### 4.7 **Consents**

Nexia Perth Audit Services Pty Ltd has given its written consent to being named as the Company's auditor in this Prospectus and to the use of the audited statement of financial position as at 30 June 2012 for the purposes of preparing the pro forma statement of financial position in the form and context in which that statement of financial position is included and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the parties referred to in this Section 4.7:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified in this Section 4.7; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.7.

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

- (a) Frichot & Frichot as solicitors to the Offer; and
- (b) Nexia Perth Audit Services Pty Ltd as auditors to the Company.

#### **4.8 Privacy Disclosure Statement**

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this Prospectus and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

#### **4.9 Market Prices of Shares on ASX**

The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were A\$0.026 on 20 August 2012 and A\$0.019 on both the 18 September 2012 and 26 September 2012. The latest available closing market sale price of Shares on ASX immediately before the date of issue of this Prospectus was A\$0.02 on 12 November 2012.

#### **4.10 Expenses of the Offer**

The approximate expenses of the Offer including advisers' fees, ASIC and ASX fees, printing and distribution costs and other miscellaneous expenses, is A\$12,000, which has been paid or is payable by the Company.

#### **4.11 Litigation**

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

## **5 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT**


The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC or, to the Directors knowledge, before the issue of Share pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

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

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 12 November 2012

  
\_\_\_\_\_  
Brad Boyle  
Managing Director

## 6 DEFINED TERMS

"**A\$**" means Australian dollars, unless otherwise stated;

"**Application Form**" means the Application Form accompanying this Prospectus and "**Applicant**" and "**Application**" have comparative meanings;

"**AWDT**" means Australian Western Daylight Time;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Capital Raising**" has the meaning set out in Section 1.1;

"**Capital Raising Shares**" has the meaning set out in Section 1.1;

"**Closing Date**" means 5.00pm AWDT on 15 November 2012;

"**Company**" means Sprint Energy Limited ACN 147 324 847;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Directors**" means the directors of the Company;

"**Listing Rules**" means the Listing Rules of ASX;

"**Offer**" means the issue pursuant to this Prospectus of 100 Shares at an issue price of A\$0.02 to raise A\$2.00;

"**Official List**" means the Official List of the ASX;

"**Official Quotation**" means quotation of the Shares on the Official List;

"**Option**" means an option that has been granted by the Company over unissued Shares in the Company;

"**Prospectus**" means this prospectus dated 12 November 2012;

"**Share**" means an ordinary fully paid share in the capital of the Company;

"**Shareholder**" means the holder of a Share;

"**Tranche One**" has the meaning set out in Section 1.1; and

"**Tranche Two**" has the meaning set out in Section 1.1.



## Guide to Sprint Energy Limited Application Form

This Application Form relates to the Offer of up to 100 Shares in Sprint Energy Limited at \$0.02 per Share pursuant to the Prospectus dated 12 November 2012. The expiry date of the Prospectus is the date which is 13 month after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$ 0.02.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.
- If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES subregister, complete Section G or forward your Offer Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to section 1.6 of the Prospectus.

- H** Please complete the details of your cheque or credit card details in this section. The total amount of your cheque or credit card payment should agree with the amount shown in Section B. Your cheque must be drawn on an Australian Bank and must be payable to "Merchant Capital Markets Pty Ltd" and crossed "Not Negotiable". Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Before completing the Offer Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Offer Application Form.

**Privacy** – Please refer to Section 4.8 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Offer Application Form, the Company may not be able to accept or process your Application.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
<b>Individual</b> Use names in full, no initials	Mr John Alfred Smith	JA Smith
<b>Minor</b> (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
<b>Company</b> Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
<b>Trusts</b> Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
<b>Deceased Estates</b> Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
<b>Partnerships</b> Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Return your completed Application Form to:

#### By Post to

Merchant Capital Markets Pty Ltd  
Suite 43, 145 Stirling Highway  
NEDLANDS WA 6009

#### Or Delivered to

Merchant Capital Markets Pty Ltd  
PO Box 883  
NEDLANDS WA 6909

**Application Forms must be received no later than 5.00 pm AWST time on the 15 November 2012.**