

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**

To Company Name/Scheme CAPE LAMBERT RESOURCES LIMITED
 ACN/ARSN 095 047 920

1. Details of substantial holder (1)

Name GULF ENERGY INTERNATIONAL LIMITED
CHRISTOPHER NARBOROUGH
 ACN/ARSN (if applicable) _____

The holder became a substantial holder on 31/03/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	94,000,000	94,000,000	13.04%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
GULF ENERGY INTERNATIONAL LIMITED	LEGAL AND BENEFICIAL HOLDER OF THE SHARES	94,000,000 FULLY PAID ORDINARY SHARES
CHRISTOPHER NARBOROUGH	DIRECTOR AND SOLE SHAREHOLDER OF GULF ENERGY INTERNATIONAL LIMITED	94,000,000 FULLY PAID ORDINARY SHARES

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
GULF ENERGY INTERNATIONAL LIMITED	GULF ENERGY INTERNATIONAL LIMITED	GULF ENERGY INTERNATIONAL LIMITED	94,000,000 FULLY PAID ORDINARY SHARES

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
GULF ENERGY INTERNATIONAL LIMITED	31/03/2016	\$3,995,000 SEE ANNEXURE A		94,000,000 FULLY PAID ORDINARY SHARES

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
GULF ENERGY INTERNATIONAL LIMITED	c/o GROUND FLOOR, DMS HOUSE, 20 GENESIST PLACE DR. ROYS DRIVE, GEORGE TOWN, GRAND CAYMAN, PO BOX 1103, KY1-1102
CHRISTOPHER NARBOROUGH	DMS HOUSE, 20 GENESIST PLACE, DR. ROY'S DRIVE, GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS

Signature

print name CHRISTOPHER NARBOROUGH capacity DIRECTOR
 sign here  date 19 / 12 / 2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001. (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100. (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

CAPE LAMBERT RESOURCES LIMITED ACN 095 047 920

This is Annexure A of 8 pages referred to in Form 603 – Notice of Initial Substantial Holder.

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Signed:

Print Name: CHRISTOPHER NARBOROUGH

Capacity: DIRECTOR

Date: 19 / 12 / 2016

ANNEXURE A

CAPE LAMBERT RESOURCES LIMITED
32 Harrogate Street
West Leederville, Western Australia 6007
Australia

11th January 2016

The Directors
Gulf Energy International Limited (Company Registration Number: 268699)
C/o Cayman Law Group Ltd
Ground Floor DMS House
20 Genesis Place
Dr. Roy's Drive
George Town
Grand Cayman
PO Box 1103, KY1-1102
Cayman Islands
By Email: CHRIS NARBOROUGH & GRAINNE BRADY
(narborough@caymanlaw.com) (gbrady@caymanlaw.com)

Dear Sirs

Underwriting of Placement

The purpose of this letter is to set out the terms of the agreement ("this Agreement") by which Gulf Energy International Limited (**Gulf Energy**) will underwrite a placement by Cape Lambert Resources (**CFE**) of 94,100,000 securities in CFE (the "Maximum Number of Placement Shares", and each security a "Placement Share", or where more than one, the "Placement Shares") at a placement price of AUD \$0.0425 cents per share together with attaching options, as set out below.

Acceptance of this Agreement by Gulf Energy, as indicated below, will constitute a binding agreement between CFE and Gulf Energy.

Terms

- 1 CFE is entitled pursuant to the official listing rules of the ASX (ASX Limited ABN 98 008 624 691) to make a placement of 15% of its existing capital.
- 2 CFE intends to place the Placement Shares.
- 3 Subject to the provisions hereof, Gulf Energy agrees to underwrite the Placement Shares to sophisticated investors in the United Kingdom or Europe.
- 4 In addition to the above, CFE undertakes to seek shareholder approval to issue, to every subscriber for a number of the Placement Shares, options on the basis of one option for

every 4 shares the subject of subscription, such option exercisable on or before 31 December 2018 at a price of AUD \$ 5 cents per share.

- 5 Gulf Energy shall attempt to procure valid applications for Placement Shares to be received by CFE on or before 30 days from the date hereof with settlement to take place in respect of such applications up to 15 days thereafter, though Gulf Energy may request. By notice in writing to CFE, a 30-day extension to the aforesaid timeline, and if so, CFE shall grant the same. The said applications shall be accompanied by cleared funds representing the subscription price multiplied by the number of the Placement Shares the subject of each application.
- 6 CFE undertakes to accept all valid applications for Placement Shares procured by Gulf Energy up to the Maximum number of Placement Shares; to promptly issue the Placement Shares in accordance with accepted applications; complete the dispatch of holding statements for the Placement Shares in accordance with the listing rules and execute any formal documents and things as may be reasonably necessary to procure listing approval and official quotation of the Placement Shares and send to ASX and to the ASIC on completion of the details of issue and other information required by the Listing Rules or the Corporations Act.
- 7 Having regard to the applicable timeline indicated by the above, CFE shall notify Gulf Energy in writing of the shortfall if any between the Placement Shares the subject of valid applications and the Maximum Number of the Placement Shares and provided this Agreement has not been terminated, Gulf Energy shall subscribe or endeavour to cause its nominee to subscribe for the said shortfall, , accompanied by a cheque or cheques if applicable, payable to CFE in payment of the issue price of those shortfall shares.
- 8 As soon as practicable and in any event no later than 2 business dates after the date of which that CFE receives the shortfall applications in accordance with this agreement, CFE will issue the shortfall shares in accordance with those shortfall applications.
- 9 CFE must pay to Gulf Energy an underwriting fee of 5% of the underwritten amount (which for the purpose of this Agreement shall comprise the issued price for the Placement Shares and shall not attribute a value to the options) as consideration for any underwriting achieved by Gulf Energy. All sub underwriting and selling fees to third parties, by Gulf Energy, must be met by Gulf Energy.
- 10 Any underwriting fees due, shall be paid to Gulf Energy immediately prior to the issue of the shortfall shares on presentation of an invoice from Gulf Energy.
- 11 CFE represents and warrants and undertakes to Gulf Energy that as at the date of this Agreement and at all times up until and as at the close of business on the day of issue of the last of the Placement Shares;
 - 11.1 CFE is admitted to the official list of ASX;
 - 11.2 No relevant company (being CFE or any of its controlled subsidiaries) will issue or agree to issue any shares option securities or interests other than the underwritten placement shares;

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- 11.3 No person has or will have any rights to subscribe or receive or be issued any shares, options or securities or interests in any relevant company other than the Placement Shares or as announced to the ASX on or prior to the date of this letter;
- 11.4 Each relevant company holds all relevant licences or approvals to carry on each of its businesses;
- 11.5 Each relevant company owns or possesses all intellectual property necessary to carry on the business now operated by them and no relevant company is aware of any material infringement of or in conflict with asserted rights of others with respect to any intellectual property or of any facts or circumstances which could reasonably be expected to have a material adverse effect.
- 11.6 No relevant company has or prior to the issue of the placement shares would create or agree to create any mortgage, charge, lien or other security or encumbrance over any or all of its assets other than security provided to secure working capital facilities or other ordinary course of business financing.
- 11.7 Other than as disclosed in writing to Gulf Energy prior to the date of this letter there is and will be no litigation, arbitration, industrial or administrative proceedings on foot or to the best of CFE's knowledge threatened or pending against a relevant company which could reasonably be expected to have a materially adverse effect.
- 11.8 No Prescribed Occurrence, as defined in the annexure hereto, exists.
- 11.9 All necessary corporate action and authorisations to permit CFE to enter into this Agreement and for CFE to make a placement of shares has been obtained and remains full force and effect.
- 11.10 This Agreement constitutes a valid legal and binding obligation on CFE and is enforceable in accordance with its terms.
- 11.11 The execution or carrying out of this Agreement will not conflict with or result in breach of or a default of the terms of the provisions of any mortgage, deed or trust or other instrument binding on any relevant company.
- 11.12 The placement shares issued by CFE will be validly issued and will be the subject of an application for quotation for ASX, freely tradeable, ranking equally as all other ordinary shares in CFE (including as to distributions) and investors who subscribe for the Placement Shares will acquire good marketable title to the placement shares free and clear of any pledge, lien, encumbrance, security, interest, claim, equity and will not be subject to any pre-emptive or similar rights.
- 11.13 No relevant company will, prior to the issue of the Placement Shares, dispose of or agree to dispose of a whole or significant part of any of their major assets, their undertaking or any significant part of any major property without the prior written consent of Gulf Energy.

- 11.14 CFE is a public company limited by shares.
- 11.15 CFE's constitution complies with the Listing Rules and the requirements of ASX for the purpose of the issue of the Placement Shares.

Termination Events

- 12 Notwithstanding any other provision hereof, Gulf Energy may terminate this Agreement, by notice in writing to CFE at any time, without Gulf Energy incurring any cost or liability to CFE if:
- 12.1 the S&P ASX 200 index is at any time after the date of this Agreement 10% or more below its level as at the close of business on the business day prior to this Agreement.
- 12.2 CFE fails to lodge an appendix 3B in relation to the Placement Shares with ASX by the time required by the Corporations Act, the listing rules or any other regulation.
- 12.3 CFE is prevented from allotting the Placement Shares within the time required by this agreement by the Corporations Act, the Listing Rules or any statute regulation or order of the Court of competent jurisdiction by ASX, ASIC or any Court or any other government or semi-governmental agency or authority.
- 12.4 the Takeovers Panel makes a declaration that circumstances in relation to the affairs of CFE are unacceptable under part 6.10 of the Corporations Act which in Gulf Energy's opinion has a material adverse effect.
- 12.5 there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this letter involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the people's Republic of China or any member of the European Union other than hostilities involving Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and Gulf Energy believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX index falling by the percentage contemplated by this Agreement.
- 12.6 a director of CFE is charged by an indictable offence;
- 12.7 any one of the following events occur (but, subject always to Gulf Energy forming a reasonable opinion reached in good faith that such an event has or is likely to have or events together have or could reasonably be expected to have a material adverse effect on (or give rise to a liability to) CFE/Gulf Energy under the Corporations Act),
- (a) Default or breach by CFE under this Agreement of any terms, conditions, covenant or undertaking;
- (b) Any representation, warranty or undertaking by CFE in this Agreement is or becomes untrue or incorrect;

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- (c) Any event occurs which gives rise to a material adverse effect including a prospective adverse change after the date of this letter in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of CFE or any relevant company;
 - (d) A Prescribed Occurrence occurs;
 - (e) Litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement are commenced against any relevant company;
 - (f) There is a change in the composition of the Board of CFE or a change in the senior management of CFE before the date Gulf Energy is required to pay up for the surplus shares (as provided for herein) without the prior written consent of Gulf Energy;
 - (g) There is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
 - (h) A force majeure affecting CFE's business or any obligation under the Agreement lasting in excess of 7 days;
 - (i) The relevant company passes or takes any steps to pass a resolution under Section 257A or 260B of the Corporations Act or resolution to amend its constitution without the prior written consent of Gulf Energy.
 - (j) Any relevant company alters its capital structure;
 - (k) A suspension of material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia.

12.8 The addresses for the parties shall be as follows:

In the case of Cape Lambert:

32 Harregot Street
West Leederville
Email: tonys@capelam.com.au

In the case of Gulf Energy:

Gulf Energy International Limited
C/o Cayman Law Group Ltd

Ground Floor DMS House
20 Genesis Place
Dr. Roy's Drive
George Town
Grand Cayman
PO Box 1103, KY1-1102
Cayman Islands
Email: cnarborough@caymanlaw.com

- 13 This agreement is governed by and is to be construed according to laws of Western Australia according to laws of Western Australia. Each parties irrevocably submits to and accepts generally and unconditionally the non-exclusive jurisdiction of the Courts and appellant Courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating to this Agreement.
- 14 An exchange of duly executed copies of this Agreement shall constitute a binding contract between CFE and Gulf Energy and shall constitute the sole understanding of the parties with respect to the subject matter and replaces all other agreements with respect thereto.
- 15 Time shall be the essence of this Agreement in all aspects.

On behalf of the Board
of Cape Lambert Resources Limited

Director

On behalf of the Board of
Gulf Energy International Limited



Director

Annexure A

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy back agreement; or
 - (ii) resolving to approve the terms of a buy back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer);
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 603.

Signature

This form must be signed by either a director or a secretary of the substantial holder.

Lodging period

Nil

Lodging Fee

Nil

Other forms to be completed

Nil

Additional information

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
- (i) within 2 business days after they become aware of the information; or
 - (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
 - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
 - (B) the person becomes aware of the information during the bid period.

Annexures

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 show the corporation name and ACN or ARBN
- 3 number the pages consecutively
- 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
- 5 identify the annexure with a mark such as A, B, C, etc
- 6 endorse the annexure with the words:
This is annexure (mark) of (number) pages referred to in form (form number and title)
- 7 sign and date the annexure
The annexure must be signed by the same person(s) who signed the form.