



**ORPHEUS ENERGY LIMITED**  
**ACN 121 257 412**  
**SUPPLEMENTARY PROSPECTUS**

**1. IMPORTANT NOTICE**

- 1.1 This Supplementary Prospectus is dated Monday 27 June 2011 ("Supplementary Prospectus") and contains particulars of changes to and supplements the Prospectus dated 24 May 2011 ("Original Prospectus") issued by Orpheus Energy Limited ("the Company") in respect of the offer of 50,000,000 Shares at 25 cents each to raise up to \$12,500,000 with oversubscriptions of up to an further 10,000,000 Shares to be accepted to raise an additional \$2,500,000.
- 1.2 This Supplementary Prospectus is dated 27 June 2011 and was lodged with ASIC and ASX on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.
- 1.3 This Supplementary Prospectus must be read together with the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Original Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Original Prospectus have the same meaning in this Supplementary Prospectus.
- 1.4 This Supplementary Prospectus and the Original Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under this Supplementary Prospectus or any other matter, you should consult your professional advisers.

**2. REASONS FOR SUPPLEMENTARY PROSPECTUS**

This Supplementary Prospectus has been prepared to:

- 2.1 extend the indicative closing date of the Priority Offer under the Original Prospectus to 27 July 2011;
- 2.2 extend the indicative closing date of the Public Offer under the Original Prospectus to 29 July 2011;
- 2.3 reduce the minimum subscription under the Offer from \$12,500,000 to \$7,500,000. The reduction is due to the postponement of the Company's investment in the Strategic Alliance until certain conditions precedent are met including the Company being reinstated to ASX quotation and the Company deeming the general stock market conditions have improved to undertake a further capital raising of at least \$5 million or more to support additional projects into the Company under the Strategic Alliance;
- 2.4 remove the maximum subscription of \$15 million and replace it with the right to accept oversubscriptions of up to 10,000,000 shares to raise an additional \$2,500,000 exceeding the new minimum subscription of \$7,500,000, making a new total maximum subscription of 40,000,000 shares, being \$10,000,000.
- 2.5 to announce that BBY Limited (Lead Manager) will be underwriting the offer for \$7,500,000 and Coalworks Limited ("Coalworks") will sub-underwrite the offer for \$7,500,000.
- 2.6 Per Section 2.3, outline the change to the material terms and conditions of the strategic alliance entered into between Orpheus Energy Group Pty Ltd ("OPL") and PT Mega Coal International.



### 3. EXTENDED INDICATIVE CLOSING DATE FOR PRIORITY OFFER AND PUBLIC OFFER

- 3.1 The Rights Issue has closed on 21 June 2011 and will not be extended.
- 3.2 The indicative closing date of the Priority Offer has been extended to 27 July 2011.
- 3.3 The indicative closing date of the Public offer has been extended to 29 July 2011.
- 3.4 The expected timetable for the Priority Offer and Public Offer going forward is set out below:

#### Priority Offer

<b>Important Dates</b>	
Original Prospectus Date	24 May 2011
Offer Opens	3 June 2011
Closing Date under Original Prospectus	21 June 2011
Supplementary Prospectus Date	27 June 2011
Closing Date under Supplementary Prospectus*	27 July 2011
Anticipated Issue and Allotment of Securities	4 August 2011
Anticipated Date for Quotation of Securities*	11 August 2011

#### Public Offer

<b>Important Dates</b>	
Original Prospectus Date	24 May 2011
Offer Opens	3 June 2011
Closing Date under Original Prospectus	27 June 2011
Supplementary Prospectus Date	27 June 2011
Closing Date under Supplementary Prospectus*	29 July 2011
Anticipated Issue and Allotment of Securities	4 August 2011
Anticipated Date for Quotation of Securities*	11 August 2011

\*These dates are indicative only. The Directors reserve the right to vary the above dates without prior notice.

### 4. REDUCTION IN MINIMUM SUBSCRIPTION and OVERSUBSCRIPTIONS

- 4.1 The Board of Directors of the company has resolved to reduce the minimum subscription under the total Offer (comprising the Rights Issue, Priority Offer and Public Offer) from \$12,500,000 to \$7,500,000. Accordingly the minimum subscription under the Offer will now be reached when the Company has received applications for 30,000,000 Shares at an issue price of \$0.25 per Share in order to raise \$7,500,000. In addition the board has resolved to remove the maximum subscription of \$15 million and replace it with the right of the Company to accept oversubscriptions of up to an additional 10,000,000 shares to raise an additional \$2,500,000 above the new minimum subscription of \$7,500,000 maxing a new total maximum subscription of 40,000,000 shares, being \$10,000,000.



## **5. ASX LISTING**

- 5.1 Application for the Company's admission to the Official List of the ASX and quotation of the Company's Shares was made on 24 May 2011.
- 5.4 If the Company is not admitted to the Official List of the ASX and its securities are not admitted to quotation within 3 months from the date of the original Prospectus all application monies will be refunded without interest.

## **6. DELETION OF APPLICATION FORMS**

- 6.1 The application forms for the Priority Offer and Public Offer are deleted and replaced with the attached application forms.

## **7. MINIMUM SUBSCRIPTION AND OVERSUBSCRIPTIONS**

- 7.1 The minimum subscription of \$7,500,000 must be raised before the quotation of the securities on the ASX can occur. Therefore the minimum subscription must be reached within three (3) months of the date of the Original Prospectus. The Company may accept oversubscriptions in excess of the Minimum Subscription of an additional 10,000,000 Shares in order to raise an additional \$2,500,000.
- 7.2 If the minimum subscription is not reached by 24 August 2011 namely within three (3) months from the date of the Original Prospectus (24 May 2011) all application monies will be refunded without interest in accordance with the Corporations Act.

## **8. OPPORTUNITY TO REFUND CURRENT APPLICATIONS**

- 8.1 In accordance with section 724 of the Corporations Act, the Company will allow Applicants who have lodged Applications under the Original Prospectus one month to obtain a refund of their Application Monies if they do not wish to proceed with their Applications.
- 8.2 Applicants will not have a further opportunity to withdraw their accepted Applications on the basis that the Company has not met the minimum subscription or that its securities have not been admitted for quotation by the ASX by 24 August 2011 being the expiration of three months from the date of lodgment of the Original Prospectus (24 May 2011)

## **9. CHANGE TO MATERIAL CONTRACTS - FURTHER DEED OF STRATEGIC ALLIANCE EXTENSION**

On 18 May 2011 Orpheus Energy Group Pty Ltd ("OPL") entered into a deed of strategic alliance extension with PT Mega Coal International ("Deed of Strategic Alliance Extension") under which PT Mega Coal and OPL agreed to establish an Australian proprietary company (NewCo) in which the Company (or its nominee) would subscribe for 5 million redeemable preference shares in the capital of NewCo at a cost of US\$5 million for shares or \$5 million worth of redeemable units into the capital of NewCo Trust (the "Subscription") to finance project investigation for coal projects under the strategic alliance.

On 24 June 2011 OPL and PT Mega Coal International entered into a further deed of strategic alliance extension under which the parties agreed that the Subscription would be postponed until certain condition precedents were met including that the Company has been reinstated to ASX quotation; the Company deeming the general stock market conditions have improved to undertake a further capital raising of at least \$5 million sufficient to support additional projects into the Company under the Strategic Alliance.

## **10. USE OF FUNDS**

- 10.1 Section 3 of the Original Prospectus contains tables setting out how the Company intends, as at the date of the Original Prospectus to apply the funds raised pursuant to the Original Prospectus over the first two years following the Listing Date.
- 10.2 The Company has resolved to remove the \$5 million Investment in the Strategic Alliance



Entity from the additional minimum investment in the Strategic Alliance corporate entity from the minimum subscription scenario only. The Company still intends to establish the Australian proprietary limited company ("NewCo") which may act as a corporate trustee of a trust ("NewCo"). However, under the minimum subscription scenario, the Company will postpone the investment of the \$5 million until certain condition precedents were met as highlighted in Section 8.

This change has the additional effect of reducing brokerage and some related costs associated with a reduced minimum subscription level. Indicative Exploration and Development Expenditure remains unchanged.

Accordingly, the Company has prepared the following amended Indicative Use of Funds table to replace the tables set out in Section 3 (page 16) of the Prospectus:

Use of Funds	Minimum Subscription	Over-Subscription
	(\$)	(\$)
Project Exploration and Development	4,990,000	4,990,000
Corporate Overheads - Management and Administration	1,200,000	1,200,000
Additional costs of Supplementary Prospectus	25,000	25,000
Working capital	335,000	2,660,000
Brokerage and related costs (including un-recouped GST)	950,000	1,125,000
<b>Total</b>	<b>7,500,000</b>	<b>10,000,000</b>

Rights Issue Applications received prior to this Supplementary Prospectus are 1,177,448 shares with 588,724 attaching Options. Representing a total of \$294,362.

Details	Minimum Subscription	Over-Subscription
	Number	Number
<b>Shares</b>		
Shares on issue prior to the Offer Completion	84,847,993	84,847,993
Shares issued:		
• pursuant to the Rights Issue	*	*
• pursuant to the Priority Offer to Coalworks Shareholders	*	*
• pursuant to the Public Offer	*	*
Total Underwritten by BBY Limited	30,000,000	30,000,000
Oversubscription to Public Offer	-	10,000,000
Total Subscription Shares (25c issue price).	30,000,000	40,000,000
Total Shares on issue following the Offer	114,847,993	124,847,993
<b>Options</b>		
Options on issue prior to the Offer	52,460,416	52,460,416
Options Issued pursuant to the Rights Issue	*	*
Total Options on issue following the offer	52,460,416	52,460,416

\* Subscription applications received to date are pending closing of the extended offer under this Supplementary Prospectus. In the event the total subscription for the Rights Issue, Priority Offer and Public Offer is less than 30,000,000 shares, the shortfall in the subscription level will be underwritten by BBY.



## 11. UNDERWRITING

- 11.1 On 27 June 2011 the Company entered into an underwriting agreement with BBY Limited ("BBY") in terms of which BBY has agreed to underwrite the 30,000,000 Shares offered to investors by way of a public prospectus to raise \$7.5 million ("Offer"), with an oversubscription facility under the same prospectus to issue up to a further 10,000,000 Shares to investors to raise up to a further \$2.5 million ("Over Allotments") (the Offer and Over Allotments together comprise the "Issue").
- 11.2 BBY will manage the Issue and underwrite the Offer. BBY is entitled to engage sub-underwriters to sub-underwrite any part of the issue.
- 11.3 The Company must ensure that the issue of Shares complies with the Supplementary Prospectus, the Prospectus, the relevant provisions of the Corporations Act, the Listing Rules and any other applicable law. This includes conducting due diligence enquiries, preparing and verifying the Prospectus and lodging the Prospectus with ASIC.
- 11.4 The Company must notify BBY if it becomes aware of any misleading or deceptive statement in, or omission from, the Prospectus and Supplementary Prospectus and lodge a further supplementary Prospectus with ASIC, if required. Any supplementary prospectus must be approved by BBY.
- 11.5 The Company must proceed with the issue in accordance with the indicative timetable in the Underwriting Agreement, which is consistent with the timetable set out in the Supplementary Prospectus. The Company must not vary the timetable, including extending the Closing Date, without the prior consent of BBY.
- 11.6 BBY's obligation to subscribe for the shortfall is contingent on the representations made by the Company in the Underwriting Agreement being correct as at the date the notice is issued and at the subscription date. The representations given by the Company include the following:
- (1) the Company is a corporation duly incorporated and validly existing and has full power to enter into and perform its obligations under the Underwriting Agreement;
  - (2) the Company has procured all consents required for the issue under the Prospectus;
  - (3) the Company is not in default under any material contract, or other contract which might have a material adverse effect;
  - (4) the Prospectus complies with all relevant laws including the Corporations Act and the Listing Rules; and
  - (5) the Company has exercised all due diligence to ensure that the Prospectus does not contain any statement or omit any statement, the inclusion or omission of which would be misleading or deceptive.
- 11.7 BBY is entitled to terminate the Underwriting Agreement if at any time prior to the allotment date of the Shares in the following circumstances:
- (1) (Prospectus defective): a statement contained in the Prospectus or Supplementary Prospectus is misleading or deceptive;
  - (2) (Due Diligence Report defective): the Due Diligence Report or any other information made available by or on behalf of the Company to the Underwriter is misleading or deceptive which has a material adverse effect on the Company;
  - (3) (change – Company) any change occurs in the assets, liabilities, financial position and performance, profits, losses or prospects of the Company which has a material adverse effect on the Company;
  - (4) (hostilities): hostilities not presently existing begin (whether war has been declared or not) which has a material adverse effect on the Company;



- (5) (market fall): the S&P/ASX 200 Index of the ASX falls by 10% or more below the level at market close on the date of the Underwriting Agreement and remains at 10% or more below that level for at least 3 consecutive Business Days;
- (6) (market shock) the S&P/ASX 200 Index of the ASX closes on any Business Day at a level that is 15% or more below the level at market close on the date of the Underwriting Agreement;
- (7) (interest rate increase): the indicator rate for 3 or 10 year Commonwealth bonds rises 1.5% or more above the level of the indicator rate as at the close of business on the Business Day immediately before the date of the Supplementary Prospectus;
- (8) (change of law): there is a change in law which has a material adverse effect on the Company;
- (9) (Company breach of law): the Company breaches the Corporations Act, or its constitution which has a material adverse effect on the Company;
- (10) (no ASX approval): approval to the quotation of all of Shares on the ASX is refused, not granted or granted subject to any condition which is unacceptable to BBY;
- (11) (ASX approval withdrawn): before completion ASX consent is withdrawn;
- (12) (ASIC hearing or investigation) ASIC issues or applies for an order or indicates an intention to hold a hearing;
- (13) (change to Material Contract): any Material Contract is varied, repudiated, rescinded or terminated without the Underwriter's written consent;
- (14) (default under Material Contract): there is a default under any Material Contract which has a material adverse effect on the Company;
- (15) (new circumstance): a new circumstance occurs which has a material adverse effect on the Company;
- (16) (Prospectus withdrawn): the Company withdraws the Prospectus and Supplementary Prospectus;
- (17) (offence by director): a director of the Company is charged with an indictable offence;
- (18) (Prospectus consent withdrawn): any person who has previously consented to the inclusion of its name in the Prospectus or to be named in the Prospectus withdraws that consent;
- (19) (Company default under this document) the Company defaults under the Underwriting Agreement which has a material adverse effect on the Company;
- (20) (Company breach of warranty): a representation or warranty made by the Company is untrue which has a material adverse effect on the Company;
- (21) (undisclosed charge over Company's assets): the Company charges, or agrees to charge, the whole or a substantial part, of its business or property;
- (22) (Company insolvency): an insolvency event occurs with respect to the Company;
- (23) (Force Majeure) a force majeure event occurs;
- (24) (change in financial markets) there is a change or disruption to the existing financial markets which has a material adverse effect on the Company;
- (25) (Company offers Subscribers refund): the Company repays or is required to repay the money received from the Subscribers;
- (26) (Supplementary Prospectus required but not issued): a further supplementary prospectus (not including the Supplementary Prospectus issued on 27 June 2011 in relation to the issue is required and the Company fails to lodge such prospectus;



(27) (Company's capital structure, management, or directors changed): the Company alters its capital structure or its directors or senior management which has a material adverse effect on the Company;

(28) (timetable not met) any date in the timetable not met;

(29) (Stop order): ASIC issues a stop order;

(30) (forward looking statements): any statement by the Company in the Prospectus which relates to future matters is or becomes, in the reasonable opinion of the Underwriter, incapable of being met;

(31) (judgment): a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within 7 days; or

(32) (process): any distress, attachment, execution or other process exceeding \$100,000 is issued against the Company and is not set aside or satisfied within 7 days.

11.8 In consideration for entering the Underwriting Agreement, the Company has agreed to pay BBY Limited an underwriting commission in an amount (excluding GST) being 1% of the shortfall in the number of shares under the Minimum Subscription multiplied by the issue price. In addition, BBY Limited is entitled to a management fee in the amount (excluding GST) being 1% of the number of shares offered under the Supplementary Prospectus excluding the shortfall in the number of shares under the Minimum Subscription multiplied by the issue price. The Company must also pay BBY, for managing the placement of the shares to parties which reduces the sub-underwriters' commitment, a fee (excluding GST) equal to 5% of the number of shares allocated to these parties multiplied by the issue price.

## 12. SUB - UNDERWRITING

On 27 June 2011 Coalworks Limited ("Coalworks") entered into a sub-underwriting agreement ("Sub-underwriting Agreement") with BBY Limited to underwrite any shortfall in the Minimum Subscription as follows:

General sub-underwriting commitment	30,000,000 shares
General sub-underwriting commitment per share	\$0.25
General sub-underwriting commitment	\$7,500,000

The key terms of the Sub-underwriting Agreement are:

- (a) Coalworks is not charging any fee for sub-underwriting the Offer;
- (b) Coalworks sub-underwriting of the Offer is an irrevocable undertaking to subscribe for the 30 million shares at \$7.5 million;
- (c) If BBY Limited terminates the Underwriting Agreement, the sub-underwriting obligations of Coalworks terminates.

## 13 ACTION REQUIRED BY EXISTING INVESTORS

*The following applies to investors who HAVE previously submitted an Application Form under the Offer.*

13.1 A copy of this Supplementary Prospectus will be sent to all Applicants who have subscribed for Shares under the Prospectus prior to the date of this Supplementary Prospectus. In accordance with section 724 of the Corporations Act, the Company will allow investors who have lodged Applications under the Prospectus prior to the date of this Supplementary Prospectus one (1) month from the date of this Supplementary Prospectus to obtain a refund of their Application Monies if they do not wish to proceed with their Application.



- 13.2 Any investor who wishes to obtain a refund should write to the Company's Share Registry at the following address:  
Security Transfer Registrars Pty Ltd  
PO BOX 535  
APPLECROSS WA 6953
- 13.3 The details of the refund cheque (including the address to which it should be sent) must correspond to the details contained in the Application Form previously lodged by the investor. Refunds will be paid as soon as practicable upon receipt of the request for a refund.

#### **14. CONSENTS**

- 14.1 Security Transfer Registrars Pty Limited has given, and not withdrawn prior to the lodgment of this Supplementary Prospectus with ASIC, its consent to be named in this Supplementary Prospectus as the Company's Share Registrar in the form and context in which it is so named. Security Transfer Registrars Pty Limited has had no involvement in the preparation of any part of this Supplementary Prospectus other than being named as Share Registrar to the Company. Security Transfer Registrars Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Supplementary Prospectus.
- 14.2 Whittens Lawyers and Consultants has given, and not withdrawn prior to the lodgment of this Supplementary Prospectus with ASIC, its consent to be named in this Supplementary Prospectus as the Solicitors to the Company in the form and context in which it is so named. Whittens Lawyers and Consultants has not authorised or caused the issue of the Supplementary Prospectus and takes no responsibility for any part of this Supplementary Prospectus other than any references to it.
- 14.3 BBY Limited has given, and not withdrawn prior to the lodgment of this Supplementary Prospectus with ASIC, its consent to be named in this Supplementary Prospectus as Underwriter to the Offer in the form and context in which it is so named. BBY Limited has not authorised or caused the issue of, this Supplementary Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any part of this Supplementary Prospectus.
- 14.4 Coalworks Limited has given, and not withdrawn prior to the lodgment of this Supplementary Prospectus with ASIC, its consent to be named in this Supplementary Prospectus as a Sub-Underwriter to the Offer in the form and context in which it is so named. Coalworks Limited has not authorised or caused the issue of, this Supplementary Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any part of this Supplementary Prospectus

#### **15. COSTS OF THE OFFER**

- 15.1 In addition to the Cash Costs of the Issue outlined at page 133 of the Prospectus, there are expenses associated with the preparation of this Supplementary Prospectus. These expenses are payable by the Company to Whittens Lawyers and Consultants, printing and postage costs, and are estimated to be approximately \$25,000.
- 15.2 Disclosure Regarding Brokerage/Underwriting Fees: BBY Limited an underwriting commission in an amount (excluding GST) being 1% of the shortfall in the number of shares under the Minimum Subscription multiplied by the issue price. In addition, BBY Limited is entitled to a management fee in the amount (excluding GST) being 1% of the number of shares offered under the Supplementary Prospectus excluding the shortfall in the number of shares under the Minimum Subscription multiplied by the issue price. The Company must also pay BBY, for managing the placement of the shares to parties which reduces the sub-underwriters' commitment, a fee (excluding GST) equal to 5% of the number of shares allocated to these parties multiplied by the issue price.
- 15.3 Coalworks is charging no fee for sub-underwriting the Offer.



## 16. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. The Directors believe that the Original Prospectus when read together with this Supplementary Prospectus contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of

**ORPHEUS ENERGY LIMITED**

Wesley Harder  
Director  
27 June 2011

**PRIORITY OFFER APPLICATION FORM - COALWORKS LIMITED**  
 THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK-BROKER OR LICENSED PROFESSIONAL ADVISOR.

BROKER/DEALER STAMP

REGISTERED OFFICE:  
 LEVEL 4  
 44 MILLER STREET  
 NORTH SYDNEY NSW 2060  
 AUSTRALIA

**ORPHEUS ENERGY LIMITED**

ABN: 67 121 257 412

**SHARE REGISTRY:**  
 Security Transfer Registrars Pty Ltd  
 All Correspondence to:  
 PO BOX 535, APPLECROSS WA 6953 AUSTRALIA  
 770 Canning Highway, APPLECROSS WA 6153  
 AUSTRALIA  
 T: +61 8 9315 2333 F: +61 8 9315 2233  
 E: registrar@securitytransfer.com.au  
 W: www.securitytransfer.com.au

Code:

Ref Number:

Minimum Security Entitlement:

Minimum Amount Payable:

**NON-RENOUNCEABLE PRIORITY SHARE OFFER**

(1) I/We the above named as the holder(s) of ordinary shares in Coalworks Limited hereby apply for the following number of fully paid ordinary shares (Shares) in Orpheus Energy Limited (Orpheus Energy Limited or the Company) issued in accordance with the terms of the Prospectus issued by Orpheus Energy Limited dated 24 May 2011 and Supplementary Prospectus dated on or about 27 June 2011 accompanying this Priority Application Form.

I/We apply for: (please mark "X" to indicate one choice only)	TOTAL SUBSCRIPTION AMOUNT @ \$0.25 PER SHARE	NUMBER OF SHARES
OFFER A - maximum amount <input type="checkbox"/>	<input type="text" value="\$15,000.00"/>	<input type="text" value="60,000"/>
OFFER B <input type="checkbox"/>	<input type="text" value="\$10,000.00"/>	<input type="text" value="40,000"/>
OFFER C <input type="checkbox"/>	<input type="text" value="\$7,500.00"/>	<input type="text" value="30,000"/>
OFFER D <input type="checkbox"/>	<input type="text" value="\$5,000.00"/>	<input type="text" value="20,000"/>
OFFER E <input type="checkbox"/>	<input type="text" value="\$2,000.00"/>	<input type="text" value="8,000"/>

\*(Minimum Application 8,000 Securities)

(\*Minimum Amount Payable \$2,000.00)


- (2) I/We declare that all details and statements made by me/us are complete and accurate.
- (3) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
- (4) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
- (5) I/We have received personally a copy of the Prospectus and Supplementary Prospectus accompanied by or attached to the Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
- (6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.
- (7) I/We acknowledge that sufficient cleared funds must be held in my/our account as my/our Application may be rejected if my/our cheque is dishonoured.

NAME  TELEPHONE NUMBER


EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

**PAYMENT INFORMATION - Please also refer to payment instructions overleaf.**



Billor Code: 159483  
Ref:

 **CHEQUE/MONEY ORDER**  
 All cheques (expressed in Australian currency) are to be made payable to **ORPHEUS ENERGY LIMITED** and crossed "Not Negotiable".

BPAY® this payment via internet or phone banking.  
 Your BPAY® reference number is unique to this offer and is not to be used for any other offer.

**REGISTRY DATE STAMP**

E & O.E.

**LODGEMENT INSTRUCTIONS**

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 24 MAY 2011 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

**PAYMENT INSTRUCTIONS**

Billers Code: 159483

BPAY® this payment via internet or phone banking. Your reference number is quoted on the front of this form. It is unique to this offer and is not to be used for any other offer.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

**CHEQUE/MONEY ORDER**

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

**DETAILS OF PRIORITY OFFER**

Insert the number of Shares you wish to apply for. The application must be for a minimum of 8,000 Shares up to a maximum of 60,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate. There are a total 20,000,000 Shares to be offered to all shareholders of Coalworks. If applications for Priority Offer shares exceed \$5 million, they will be scaled back accordingly.

**ENQUIRIES**

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them at the address on this form.

(SUPPLEMENTARY) APPLICATION FORM - PUBLIC OFFER

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
770 Canning Highway, APPLECROSS WA 6153
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

ORPHEUS ENERGY LIMITED

ABN: 67 121 257 412

BROKER STAMP

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

I/We apply for:

[Grid] Shares at AUD \$0.25 per share
or such lesser number of Shares which may be allocated to me/us by their Directors.

I/We lodge full application of monies of:

A\$ [Grid]

Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (e.g.: THE SMITH SUPER FUND A/C)

[Grid]

Postal Address

Unit Street Number Street Name or PO BOX

Suburb/Town/City State Postcode

Country Name (If not Australia)

[Grid]

CHESS HIN (where applicable)

[X] [Grid] If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

Contact Name

[Grid]

Contact Number

( [Grid] ) [Grid]

Email Address

[Grid]

Tax File Number / Australian Business Number

[Grid]

Tax File Number of Security Holder #2 (Joint Holdings Only)

[Grid]

Declaration and Statements:

- (1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and Supplementary Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus and Supplementary Prospectus accompanied by or attached to the Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

REGISTRY DATE STAMP

E & O.E.

This Application Form relates to the Offer of Fully Paid Shares in ORPHEUS ENERGY LIMITED pursuant to the Prospectus dated 24 May 2011.

#### APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESSE participants should complete their name and address in the same format as they are presently registered in the CHESSE system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 8,000 Shares and thereafter in multiples of 500 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

#### PAYMENT

All cheques should be made payable to ORPHEUS ENERGY LIMITED and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

#### LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

<b>Posted to:</b> ORPHEUS ENERGY LIMITED C/- Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953	<b>OR</b>	<b>Delivered to:</b> ORPHEUS ENERGY LIMITED C/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
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Applications must be received by no later than 5.00pm (WST) on the Closing Date 29 July 2011 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

#### CHESSE HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESSE System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESSE participant (or are sponsored by a CHESSE participant) and you wish to hold shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

#### TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

#### CORRECT FORM OF REGISTRABLE TITLE

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

#### TYPE OF INVESTOR

##### Individual

Use given names in full, not initials.

##### CORRECT

Mr John Alfred Smith

##### INCORRECT

J A Smith

##### Company

Use the company's full title, not abbreviations.

ABC Pty Ltd

ABC P/L or ABC Co

##### Joint Holdings

Use full and complete names.

Mr Peter Robert Williams &  
Ms Louise Susan Williams

Peter Robert &  
Louise S Williams

##### Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Mrs Susan Jane Smith  
<Sue Smith Family A/C>

Sue Smith Family Trust

##### Deceased Estates

Use the executor(s) personal name(s).

Ms Jane Mary Smith &  
Mr Frank William Smith  
<Estate John Smith A/C>

Estate of Late John Smith  
or  
John Smith Deceased

##### Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Mr John Alfred Smith  
<Peter Smith A/C>

Master Peter Smith

##### Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Mr John Robert Smith &  
Mr Michael John Smith  
<John Smith and Son A/C>

John Smith and Son

##### Superannuation Funds

Use the name of the trustee(s) of the super fund.

Jane Smith Pty Ltd  
<JSuper Fund A/C>

Jane Smith Pty Ltd Superannuation Fund

PRIVACY STATEMENT Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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