

**BURLESON ENERGY LIMITED
(TO BE RENAMED "SKY AND SPACE GLOBAL LTD")
ACN 117 770 475**

REPLACEMENT PROSPECTUS

For an offer of up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000 before costs, with a minimum subscription of \$4,000,000, and an ability to accept oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000 (**Offer**).

Completion of the Offer is subject to the following conditions (**Conditions**):

- (a) the Heads of Agreement under which Burleson Energy Ltd (**BUR** or the **Company**) has agreed to acquire Sky and Space Global (UK) Limited (**SSG**) becomes unconditional; and
- (b) ASX conditionally confirms that it will re-admit the Company's Shares to Official Quotation.

No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

The Offer is scheduled to close at 5.00pm (WST) on 7 April 2016 unless extended or withdrawn. Applications must be received before that time to be valid.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Unless otherwise stated, all references to Securities in this Prospectus are made on the basis that the Consolidation for which Shareholder was obtained at the General Meeting held on 1 April 2016 has taken effect.

This is a replacement prospectus dated 4 April 2016. This replacement prospectus replaces the original prospectus dated 22 March 2016 and the supplementary prospectus dated 30 March 2016 relating to Shares of Burleson Energy Ltd (ACN 117 770 475).

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered highly speculative.

Lead Manager to the Offer

Patersons Securities Limited (AFSL 239 052)



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1. CORPORATE DIRECTORY

Directors

Mr Michael Sandy¹
Executive Chairman

Mr Peter Wall
*Non Executive Director and Proposed
Non Executive Chairman*

Mr Alexander Sundich¹
Executive Director

Additional Proposed Directors

Mr Brett Mitchell²
Executive Director

Mr Meir Moalem²
Executive Director

Mr Yonatan Shrama²
Non Executive Director

Ms Maya Glickman-Pariente²
Non Executive Director

Company Secretary

Mr Alexander Sundich

Current ASX Code

BUR

Proposed ASX Code

SSG

Share Registry³

Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

Registered Office

BUR
Level 6, 9 Barrack Street
Sydney NSW 2000

Telephone: + 61 2 8252 6177
Facsimile: +61 2 8252 6178

Email: info@burlesonenergyLtd.com
Website: www.burlesonenergyLtd.com

SSG

1a Palace Court
250 Finchley Road
London NW3 6DN

Email: meir@multimodis.co.il
Website: www.skyandspace.global

Lead Manager

Patersons Securities Limited
Level 23, Esplanade Tower
2 The Esplanade
PERTH WA 6000

Phone: 1300 582 256

Investigating Accountant and Auditor

Rothsay Chartered Accountants
Level 1, 12 O'Connell Street
SYDNEY NSW 2000

Solicitors to the Company

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

¹ To resign on Settlement of the Acquisition.

² To be appointed with effect from Settlement of the Acquisition.

³ This entity has been included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

2.1 Consolidation

Unless stated otherwise, all references to Securities as set out in this Prospectus are on the basis that the consolidation (for which approval was obtained at the General Meeting held on 1 April 2016) has occurred.

2.2 Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules

At the General Meeting held on 1 April 2016, the Company obtained Shareholder approval for a change in nature and scale of its activities.

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

The Company's Securities were suspended from trading on ASX on 1 April 2016 and will not be reinstated until ASX approves the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the Official List. In the event the Conditions are not satisfied or the Company does not receive conditional approval for re-admission to the Official List then the Company will not proceed with the Offer and will repay all application monies received.

2.3 General

This replacement prospectus is dated 4 April 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

2.4 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.5 Conditional Offer

The Offer is conditional on:

- (a) the Heads of Agreement becoming unconditional; and

- (b) ASX conditionally confirms that it will re-admit the Company's Shares to Official Quotation,

(together, the **Conditions**).

In the event that the Conditions are not satisfied, the Offer will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their application monies (without interest).

2.6 Expiry Date

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of the Prospectus lodged with the ASIC on 22 March 2016.

2.7 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.burlesonenergy.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offer to be accepted electronically or by applying online. Shares will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

No document or information included on our website is incorporated by reference into this Prospectus.

2.8 Forwarding-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 5D and 9 of this Prospectus.

2.9 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.10 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16 of this Prospectus.

2.11 Time

All references to time in this Prospectus are references to Australian Western Standard Time.

2.12 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 9 of this Prospectus for details relating to risk factors.

2.13 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Alexander Sundich, on +61 2 8252 6177.

2.14 Retraction of HotCopper advertisement

The Company notes that on 30 March 2016 an email advertisement was circulated to the hotcopper.com.au network. The email advertisement was released without approval from the Board. The email advertisement has since been retracted on 31 March 2016. No applications for Shares were received between publication of the email advertisement and its retraction.

3. INDICATIVE TIMETABLE*

Lodgement of original prospectus with the ASIC	22 March 2016
Opening Date of the Offer	22 March 2016
Lodgement of supplementary prospectus with the ASIC	30 March 2016
General Meeting held to approve the Acquisition	1 April 2016
Lodgement of replacement prospectus with the ASIC	4 April 2016
Closing Date for Offer	7 April 2016
Issue of Shares under the Offer	18 April 2016
Settlement of the Acquisition [^]	18 April 2016
Re-quotations of Securities (including Shares issued under the Offer) on ASX	29 April 2016

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with any of the Offer at any time before the issue of Shares to Applicants.*

[^] The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.

4. PROPOSED CHAIRMAN'S LETTER

Dear Investor

The Board of Directors of Burleson Energy Limited (to be renamed "Sky and Space Global Ltd") (**Company**) is pleased to present you with this Prospectus and the opportunity to increase your existing shareholding or to become a new shareholder in the Company as it transitions from its historic focus of exploration and development of petroleum and gas properties in the United States of America to the business of developing a narrow-band communication network based on nano-satellites through its proposed acquisition of Sky and Space Global (UK) Limited (**SSG**), a company incorporated in England.

As announced on 3 December 2015, the Company has entered into the Heads of Agreement to acquire 100% of the issued capital of SSG (**Acquisition**). SSG aims to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

Under the Heads of Agreement, the Company will issue Shares and Performance Shares to the SSG Shareholders as part consideration for the acquisition of SSG. A summary of the Heads of Agreement and other material agreements to the Acquisition are outlined in Section 13 of this Prospectus.

Under this Prospectus, the Company is seeking to raise up to \$5,000,000 through the issue of up to 250,000,000 Shares at a price of \$0.02 per Share, with the ability to accept oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000, to fund the continued development and commercialisation of SSG's nano-satellite technology (**Offer**).

The Company will obtained Shareholder approval for acquisition of SSG (including the resulting change to the nature and scale of the Company's activities and the issue of Shares and Performance Shares to the SSG Shareholders), and the issue of Shares under the Offer, at its General Meeting held on 1 April 2016.

I commend the Company and its new direction to you and encourage you to consider the Offer.

Investors should be aware of the potential risks inherent in this investment which are fully detailed in this Prospectus. Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

Yours sincerely

Peter Wall
Proposed Chairman
BURLESON ENERGY LIMITED

5. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Burleson Energy Limited (ACN 117 770 475) (ASX: BUR)	
Who is BUR?	<p>BUR listed on the ASX on 18 May 2006 as an explorer focussed on petroleum and gas opportunities.</p> <p>Since listing, the Company has focussed on petroleum and gas exploration and development and its principal activity has been on projects in onshore South Texas in the United States of America.</p> <p>For the past 12 months, the Company has also been evaluating alternative corporate opportunities, both in Australia and overseas and, on 3 December 2015, BUR announced to ASX that it had entered into a conditional heads of agreement (Heads of Agreement) to acquire 100% of the issued capital of Sky and Space Global (UK) Limited (SSG), which plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries (Acquisition).</p>	Section 6.1
What are the terms of the Acquisition?	<p>The terms of the Heads of Agreement and the Acquisition generally are set out in Section 13.1.</p> <p>The consideration for the Acquisition was agreed at 3,700,000,000 Shares (on a pre-Consolidation basis) at a deemed market value of US\$9,000,000 and 1,500,000,000 Performance Shares (on a pre-Consolidation basis) to the SSG Shareholders. On a post-Consolidation basis, the Company will issue the SSG Shareholders with 740,000,000 Shares and 300,000,000 Performance Shares. At \$0.02 per Share (being the same price that Shares are being issued under the Offer) and a nil value attributed to the Performance Shares, the total value of the consideration is \$14.8</p>	Section 13.1

Item	Summary	Further information
	<p>million. In addition, the Company paid SSG US\$100,000 as consideration for entering into the Heads of Agreement.</p>	
<p>How will the Acquisition be implemented?</p>	<p>At the General Meeting held on 1 April 2016, the Company will obtained the approval of its Shareholders to the change in focus from its petroleum exploration and development projects to developing the business of operating a narrow-band communication network based on nano-satellites (Business).</p> <p>At the General Meeting, Shareholders' approval was obtained for resolutions relating to the change in the nature and scale of the Company's activities, as well as resolutions required for settlement of the Acquisition and undertaking the Offer.</p> <p>BUR proposes to change its name to "Sky and Space Global Ltd" on Settlement of the Acquisition, which in the Board's opinion will be better suited to the Company's new strategic direction.</p>	<p>Sections 6.2, 6.5, 6.6 and 6.7</p>
<p>What will happen to the Company's existing assets?</p>	<p>The Company has entered into a conditional agreement for the sale of its existing petroleum assets, Shareholder approval for which was obtained at the General Meeting, and, after Settlement of the Acquisition, intends to focus on the development and commercialisation of the Business.</p>	<p>Section 6.1</p>
<p>Who is SSG?</p>	<p>SSG is a newly incorporated United Kingdom company (incorporated in 24 November 2015) with a European and Israeli Research and Development centre, founded and staffed by aerospace and satellite industry experts.</p> <p>The key assets of SSG are its personnel and the know-how they bring to the Business based on their prior experience.</p> <p>SSG's business plan is to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries. The first phase of SSG operations is to design, build, launch and test 3 nano-satellites by mid-2017 as detailed in recent ASX announcements. The funds from the capital raising under this Prospectus will be used to fund this 3 nano-satellite pilot phase of</p>	<p>Sections 6.4 and 8</p>

Item	Summary	Further information
	<p>operations over the next 18 months.</p> <p>The core Business is to construct a communication infrastructure based on nano-satellite technology and develop software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give global coverage once a sufficient global network of nano-satellites are deployed. The success of the Company post-Settlement will depend upon SSG's ability to develop and commercialise the SSG technology.</p>	
<p>How were the terms of the Acquisition agreed?</p>	<p>The Acquisition was negotiated on an arm's length basis, and the Company is satisfied that the terms of the Acquisition are the best it was able to negotiate with the SSG Shareholders.</p> <p>Due to the fact that the Business is early stage and pre commercialisation with no suitable history of revenue or earnings, it is not possible or appropriate to apply formal valuation methodologies (eg. discounted cash flow or multiple of earnings) to the Acquisition consideration.</p> <p>The Company notes the statement of financial position of SSG) as at 31 December 2015 stating its net assets at \$20,288.</p> <p>In determining whether the consideration was appropriate, and accordingly whether the Company should make the Acquisition, the Company considered the following factors:</p> <ul style="list-style-type: none"> • SSG is developing a unique system design. The system includes not only satellites, but also orbit selection and network management software which are part of SSG's research and development. SSG's development of its nano-satellite technology has the potential to revolutionise the existing satellite communications industry (see Section 8.6 for further information on the potential applications of nano-satellites); • SSG is developing software that it intends to register as its intellectual property in the United Kingdom, potentially giving it a safe harbour in which to operate without the threat of others copying the technology and competing. Some intellectual property is also intended to be patented in 	<p>Section 13.1</p>

Item	Summary	Further information
	<p>the United Kingdom (and globally) (see Sections 8.3 and 8.7);</p> <ul style="list-style-type: none"> SSG has a credible, experienced technical and management team (see Sections 10.3 and 10.4 for details of management profiles); a portion of the consideration (approximately 28.8%) is deferred consideration only resulting in the issue of Shares once further performance milestones have been achieved (see Section 14.3); and the Acquisition and Offer will result in a larger market capitalisation and enhanced Shareholder base and may encourage new investors in the Company because the Company is pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to an increased liquidity of Shares and greater trading depth than previously experienced by Shareholders prior to the announcement of the Acquisition. <p>The Board is of the view that proceeding with the Acquisition is in the best interests of the Company for the reasons set out above.</p>	
<p>B. Business Model</p>		
<p>How will SSG generate income?</p>	<p>Following Settlement of the Acquisition, BUR will look to develop the Business through the operations of SSG, its wholly owned subsidiary.</p> <p>SSG’s strategy is to launch a constellation of nano-satellites initially in the Equatorial orbit, then ultimately placed in carefully selected orbits giving full coverage of the Earth, to create a potentially disruptive and global communication network providing affordable voice, data and messaging services. The aim of the proposed nano-satellite system will be able to provide affordable service to anyone, anywhere, anytime.</p> <p>Following the successful completion of the 3 nano-satellite pilot phase, SSG plans to launch a constellation of nano-satellites, from which SSG aims to generate income by selling bandwidth on the SGG communication platform established by the constellation to</p>	<p>Section 8.8</p>

Item	Summary	Further information
	<p>companies for the provision of phone, messaging and text data services. Such a system could provide communication infrastructure either for premium customers (for example, global corporates, the security sector, international transport companies etc) or everyday customers, especially in remote or underdeveloped areas.</p> <p>The ability of SSG to achieve these objectives and generate income will depend upon SSG's ability to develop and commercialise the SSG technology. Please refer to Sections 5D and 9.2(a)(ii) for further discussion of the risks associated with the development and commercialisation of SSG's technology.</p>	
<p>What are the key business strategies of SSG?</p>	<p>Upon successful settlement of the Acquisition, the Company will further develop the Business by focussing on its new business strategies.</p> <p>The key SSG business strategy is to provide and charge customers for cheaper communications infrastructure based on a network of low cost, nano-satellites with low maintenance costs.</p>	<p>Sections 8.7 and 8.10</p>
<p>What are the key dependencies of the Company's business model?</p>	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> (a) successful launch and testing of the 3 nano-satellite pilot phase operations by mid-2017; (b) satellite phone and data packages pricing; and (c) development of a global satellite communication market. 	<p>Section 8.9</p>
<p>C. Key Investment Highlights</p>		
<p>What are the key investment highlights?</p>	<p>The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:</p> <ul style="list-style-type: none"> (a) Shareholders will benefit from the opportunity to participate in SSG's development of its nano-satellite technology, which has the potential to revolutionise the existing satellite 	<p>Section 6.3</p>

Item	Summary	Further information
	<p>communications industry;</p> <p>(b) the Company will gain the experience of the current SSG senior management team, and a core group of dedicated investors, all of whom will position the Company to compete in a lucrative and growing market;</p> <p>(c) the combined entity will benefit from a larger market capitalisation, enhanced Shareholder base and expanded access to public capital. These factors should provide a more liquid stock than either the Company or SSG on a standalone basis;</p> <p>(d) the United Kingdom is considered to have a low sovereign risk and investment friendly regulatory environment; and</p> <p>(e) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a nano-satellite technology company.</p> <p>The highlights listed above, and the success of the Company post-Settlement, are subject to and dependent upon SSG’s ability to develop and commercialise the SSG technology.</p>	

D. Key Risks

<p>What are the key risks of an investment in BUR?</p>	<p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting</p>	<p>Section 9</p>
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Item	Summary	Further information
	<p>the Company are as follows:</p> <p>(a) Re-Quotation of Shares on ASX</p> <p>The acquisition of SSG constitutes a significant change in the nature and scale of the Company’s activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX.</p> <p>(b) Contractual risk</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Heads of Agreement. The Offer is conditional on the Heads of Agreement becoming unconditional meaning that if the outstanding conditions precedent (summarised in Section 13.1) are not satisfied (or waived in accordance with the terms of the Heads of Agreement) Settlement will not occur. If Settlement does not occur the Company will not be able to achieve the objectives in relation to SSG as set out in this Prospectus.</p> <p>(c) Dilution risk</p> <p>The Company currently has 1,100,000,000 pre-Consolidation Shares on issue. Following completion of the Consolidation, the Company proposes to issue the 740,000,000 Shares and 300,000,000 Performance Shares under the Acquisition, 40,000,000 Shares to facilitators who have assisted with the Acquisition and 200,000,000 Shares at \$0.02 per Share to raise a minimum of \$4,000,000 under the Offer. On completion of the Acquisition and the minimum subscription of the Shares under the Offer (assuming no exercise of Options) the existing Shareholders will retain approximately 18.33% of the</p>	

Item	Summary	Further information
	<p>issued capital of the Company.</p> <p>There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.</p> <p>(d) Development and commercialisation of the SSG technology</p> <p>The success of the Company post-Settlement will depend upon SSG’s ability to develop and commercialise the SSG technology. A failure to successfully develop and commercialise the SSG technology could lead to future revenue or profits not eventuating and a loss of opportunities for the Company. This could in turn adversely impact the Company’s operating results and financial position.</p> <p>(e) Technology risk – nano-satellites</p> <p>Although SSG will develop and provide specifications, SSG does not plan to manufacture its own hardware. SSG will outsource nano-satellites manufacturing, while using Customer Off The Shelf (COTS) hardware to meet many technological needs as part of its business model. As such, SSG will depend on subcontractors meeting the demand and specifications for its nano-satellites, assuming the risk of a subcontractor not meeting the requirements.</p> <p>(f) Competition risk</p> <p>There is significant competition in the satellite communications industry generally. SSG will be competing with a range of competitors offering phone and messaging communication solutions via satellites, which creates a high barrier to entry for new participants.</p> <p>There is no assurance that competitors will not succeed in developing</p>	

Item	Summary	Further information
	<p>products that are more effective or economic than the products developed by SSG, or which would render the products obsolete and/or otherwise uncompetitive.</p> <p>(g) Regulation risk</p> <p>International Telecommunication Union (ITU) approval is required for using communication frequencies in fully operational system. SSG cannot guarantee ITU approval.</p> <p>(h) Reliance on key personnel</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of SSG rests substantially on its senior management, key personnel and developers. There can be no assurance that there will be no detrimental impact on SSG if one or more of these employees cease their employment or if one or more of SSG's directors leaves its board.</p> <p>Further risks associated with an investment in the Company are set out in Section 9.</p>	
E. Directors and Key Management Personnel		
<p>Who are the Directors and Proposed Directors?</p>	<p>It is proposed that upon Settlement of the Acquisition:</p> <p>(a) Mr Brett Mitchell, Mr Meir Moalem, Mr Yonatan Shrama and Ms Maya Glickman-Pariente will be appointed to the Board;</p> <p>(b) Mr Peter Wall will remain on the Board and be appointed Non-Executive Chairman; and</p> <p>(c) Mr Michael Sandy and Mr Alexander Sundich will resign from the Board.</p> <p>The profiles of each of the Directors and Proposed Directors are set out in Sections 10.2 and 10.3. Details of the personal interests of each of the above individuals are set out in Section 10.4.</p>	<p>Section 10</p>

Item	Summary	Further information
F. Financial Information		
How has BUR been performing?	The reviewed statement of financial position for BUR as at 31 December 2015 is set out in the Investigating Accountant's Report in Section 11.	Section 11
What is the financial outlook for BUR?	<p>The reviewed pro-forma statement of financial position for BUR as at 31 December 2015 (which assumes Settlement of the Acquisition) is set out in the Investigating Accountant's Report in Section 11.</p> <p>As SSG does not currently generate any revenue and is still in the development phase of its business cycle, it is not able to forecast future revenue or profitability.</p> <p>In addition, as SSG was only incorporated on 24 November 2015 and its operations have been relatively limited since this date, BUR formed the view that there was no requirement to audit the accounts of SSG.</p>	Section 11
Does BUR have sufficient funds for its activities?	<p>The funding for BUR's short to medium term activities will be generated from a combination of the money raised under the Offer and existing cash reserves.</p> <p>It should be noted that the Company may not be self-funding through its own operational cash flow over the short to medium term referred to above. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.</p>	Section 7.4
G. Offer		
What is the purpose of the Offer?	<p>The purpose of the Offer is to position the Company to seek to achieve the objectives set out below in Section 7.1 and to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules.</p> <p>The satisfaction of Chapters 1 and 2 of the ASX Listing Rules is sought for the purpose of seeking ASX's approval for reinstatement of the Company's Shares to quotation.</p> <p>The purpose of the Offer is also to provide sufficient working capital to meet the Company's anticipated overhead and administration expenses over the short to</p>	Section 7.1

Item	Summary	Further information
	<p>medium term.</p> <p>On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p> <p>The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following reinstatement of the Company to quotation on the Official List in the manner set out in the table in Section 7.4.</p>	
Is the Offer underwritten?	The Offer is not underwritten.	Section 7.1(c)
What is being offered and who is entitled to participate in the Offer?	<p>BUR will be offering up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000. BUR may accept oversubscriptions of up to a further \$1,000,000 (equalling a maximum further issue of 50,000,000 Shares at \$0.02 per Share) under the Offer.</p> <p>The Offer is open to retail and sophisticated investors in Australia.</p>	Section 7
Is there a minimum subscription for the Offer?	<p>Yes, the minimum subscription is \$4,000,000.</p> <p>If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.</p>	Section 7.1(a)
What will BUR's capital structure look like after completion of the Offer and the Acquisition?	Refer to Section 8.14 for a pro forma capital structure following Settlement of the Acquisition.	Section 8.14
Will I be guaranteed a minimum allocation under the Offer?	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer.	Section 7.1
What are the terms of the Shares offered	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 14.2.	Section 14.2

Item	Summary	Further information
under the Offer?		
Will any Securities be subject to escrow?	<p>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>All or a proportion of the Consideration Securities may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List.</p>	Section 8.17
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 7.8
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$200 worth of Shares (10,000 Shares).	Section 7.1(d)
Are there any conditions to the Offer?	<p>The Offer is conditional on:</p> <ul style="list-style-type: none"> the Heads of Agreement becoming unconditional; and ASX granting conditional approval to re-admit the Company's Shares to Official Quotation. <p>If any of these Conditions are not satisfied, the Acquisition and the Offer will not proceed.</p> <p>The conditions for the Heads of Agreement must be satisfied or waived by 2 May 2016 or such later date as BUR and SSG agree.</p>	Section 2.5

Item	Summary	Further information
H. Use of proceeds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds will be used for:</p> <ul style="list-style-type: none"> • expenses of the Offer; • nano-satellite construction and groundstation costs; • licensing and operational costs associated with the Business; and • working capital and corporate administration expenses of the Company. 	Section 7.4 and 14.9
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	
Where can I find more information?	<ul style="list-style-type: none"> • By speaking to your sharebroker, solicitor, accountant or other independent professional adviser. • By reviewing BUR's public announcements, which are accessible from ASX's website at http://www.asx.com.au under the ASX code "BUR". • By visiting BUR's website at http://www.burlesonenergy.com. • By visiting SSG's website at www.skyand.space. • By contacting Alexander Sundich, BUR's Company Secretary, on +61 2 8252 6177. • By contacting the Share Registry on +61 2 9290 9600. 	

6. TRANSACTION OVERVIEW

6.1 The Company

The Company is an Australian public company listed on the official list of ASX (ASX code: BUR). The Company was incorporated on 6 January 2006 and was admitted to the official list of the ASX on 18 May 2006.

In addition to its principal business activities, the Company has been actively investigating and assessing new opportunities as announced to the ASX Market Announcements Platform.

Since listing, the Company has predominantly operated in the exploration and development of petroleum and gas properties in the United States of America. To this end, the Company currently owns 100% of the following United States incorporated entities: Bureson Energy Holding LLC, Bureson Energy Inc, Bureson General LLC, Bureson Energy Limited LLC and Bureson Energy Limited Partnership. It is the intention of the Company that these entities will be wound up post Settlement. As announced on 1 March 2016, the Company has agreed to sell its oil and gas assets located in the United States. Shareholder approval for the disposal of these assets was obtained at the General Meeting held on 1 April 2016.

In accordance with its continuous disclosure obligations, the Company has kept the market fully informed and updated in relation to its projects. Details of these projects and the work done to date are available on the Company's ASX announcements platform. Details of the Company's most recent activities in these areas are set out in its Annual Report lodged with ASX on 30 October 2015 and its Quarterly Activities Report lodged with ASX on 29 January 2016.

In addition to its principal business activities, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for Shareholders.

6.2 The Acquisition

On 3 December 2015, BUR announced to ASX that it entered into a conditional heads of agreement to acquire 100% of the issued capital of SSG.

Upon successful Settlement of the Acquisition, the Company will focus on developing and operating SSG and the Business.

A more detailed summary of SSG and the proposed business of the Company following Settlement is set out in Section 8.

6.3 Key investment highlights

The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:

- (a) BUR Shareholders will benefit from opportunity to participate in SSG's development of its nano-satellite technology, which has the potential to revolutionise the existing satellite communications industry;
- (b) the Company will gain the experience of the current SSG senior management team, and a core group of dedicated investors, all of whom will position the Company to compete in a lucrative and growing market;

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- (c) the combined entity will benefit from a larger market capitalisation, enhanced Shareholder base and expanded access to public capital. These factors should provide a more liquid stock than either the Company or SSG on a standalone basis;
 - (d) the United Kingdom is considered to have a low sovereign risk and investment friendly regulatory environment; and
 - (e) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a nano-satellite technology company.

The highlights listed above, and the success of the Company post-Settlement, are subject to and dependent upon SSG's ability to develop and commercialise the SSG technology.

6.4 About SSG

SSG, a UK incorporated company with a European and Israeli Research and Development centre, founded and staffed by aerospace and satellite industry experts, plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The core SSG business strategy is to construct a communication infrastructure based on nano-satellite technology and develop software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give global coverage once a sufficient global network of nano-satellites are deployed

Please refer to Section 8 for a more detailed summary of SSG and the Company's proposed business following Settlement of the Acquisition.

6.5 Suspension and Re-admission to ASX

As BUR is currently focussed on petroleum and gas exploration and development, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of BUR's operations to a nano-satellite technology company focused on developing the Business.

This change in the nature and scale of BUR's activities requires:

- (a) the approval of Shareholders (which was obtained at the General Meeting); and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In accordance with ASX guidelines, BUR applied for a trading halt in its Shares from the beginning of trading on the date of the General Meeting. The Shares will not be reinstated to Official Quotation until BUR has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

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- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
 - (b) the Company must satisfy the “assets test” as set out in ASX Listing Rule 1.3.

It is expected that the completion of the Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until BUR re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that BUR does not receive conditional approval for re-admission to the Official List, BUR will not proceed with settlement of the Acquisition or the Offer and will repay all application monies received by it in connection with this Prospectus (without interest).

6.6 Shareholder Approval

At the General Meeting, Shareholder approval was obtained for the following resolutions required to implement the Acquisition and complete the Offer:

- (a) the significant change in the nature or scale of the Company’s activities to become a cyber security company, for which Shareholder approval was required under ASX Listing Rule 11.1.2;
- (b) the consolidation of the Company’s capital on a 1:5 basis (**Consolidation**);
- (c) the issue of 740,000,000 Shares (**Consideration Shares**) and 300,000,000 Performance Shares (**Performance Shares**) (both on a post-Consolidation basis) to the SSG Shareholders (together, the **Consideration Securities**) in consideration for 100% of the SSG Shares;
- (d) the issue of 40,000,000 Shares to parties that have assisted with facilitating the Acquisition (on a post Consolidation basis) (**Facilitation Shares**);
- (e) the issue of Shares (on a post Consolidation basis) under the Offer; and
- (f) the appointment of Brett Mitchell, Meir Moalem, Maya Glickman-Pariente and Yonatan Shrama as Directors of the Company with effect from Settlement.

6.7 Change of Name

At the General Meeting Shareholder approval was also obtained for the Company to change its name to “Sky and Space Global Ltd” on Settlement of the Acquisition, which in BUR’s opinion will be better suited to BUR’s new strategic direction.

An overview of the Company’s business following Settlement of the Acquisition is set out in Section 8.

7. DETAILS OF THE OFFER

7.1 The Offer

Pursuant to this Prospectus, the Company will be offering up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000.

The Shares offered under the Offer will rank equally with the existing Shares on issue. Refer to Section 14.2 for a summary of the terms of Shares.

(a) **Minimum subscription**

The minimum subscription for the Offer is \$4,000,000.

If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

(b) **Oversubscriptions**

The Company may accept oversubscriptions of up to a further \$1,000,000 worth of Shares above the maximum subscription of \$5,000,000.

(c) **Not underwritten**

The Offer is not underwritten.

(d) **Minimum application amount**

Applications under the Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$200 worth of Shares (10,000 Shares).

(e) **Eligible participants**

To participate in the Offer you must be a resident of Australia. See Section 7.10 for further details.

Where the Company accepts oversubscriptions, the Shares to be issued under the oversubscriptions will be issued at the absolute discretion of the Directors.

Accordingly, the Company is not in a position to guarantee a minimum application of Shares under the Offer.

(f) **Quotation and trading**

Application for quotation of the Shares issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

No Shares issued pursuant to the Offer will be subject to any escrow requirement by ASX.

7.2 Cleansing Offer

This Prospectus also includes an offer of one Share, which shall remain open (unless closed earlier at the discretion of the Directors) for a period of 12 months from the date of the Company's re-admission to the Official List (**Cleansing Offer**).

The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale any Shares that may be issued by the Company between the date of this Prospectus and the date that is 12 months after the date of re-admission to the Official List.

7.3 Purpose of the Offer

The primary purpose of the Offer is to:

- (a) assist BUR to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (e.g. Shareholder spread) (see Section 6.5 for further details); and
- (b) to provide the Company with additional funding to progress the development and marketing of the Business and provide the Company with sufficient working capital to meet its anticipated overhead and administrative expenses over the short to medium term.

BUR intends on applying the funds raised under the Offer along with its current cash reserves in the manner detailed in Section 7.4.

7.4 Use of Funds

BUR intends to apply funds raised from the Offer, together with existing cash reserves, in the short to medium term following re-admission to the Official List (for the purpose of satisfying ASX's requirements for re-listing following a significant change to the nature and scale of the Company's activities) as follows:

	Funds to be raised under the minimum subscription to the Offer (\$4,000,000)	Percentage of Funds	Funds to be raised under the full subscription of the Offer (\$5,000,000)	Percentage of Funds
Existing cash reserves ¹	\$905,000	18.45%	\$905,000	15.33%
Funds raised from the Public Offer	\$4,000,000	81.55%	\$5,000,000	84.67%
TOTAL	\$4,905,000	100%	\$5,905,000	100%
Expenses of the Offer ²	\$486,320	9.91%	\$547,320	9.27%
Nano-satellite construction and groundstation costs ³	\$1,243,000	25.35%	\$1,195,680	20.25%
Licensing and operational costs	\$1,200,000	24.46%	\$1,200,000	20.32%
Launch costs	\$700,000	14.27%	\$700,000	11.85%

Working capital and corporate administration ^{4, 5}	\$1,275,680	26.01%	\$2,262,000	38.31%
TOTAL	\$4,905,000	100%	\$5,905,000	100%

Notes:

- 1 This figure represents an approximate A\$357,000 reduction to the cash reserves appearing in the Company's 31 December 2015 financial statement, which represents the US\$250,000 that has been advanced to SSG by the Company pursuant to the Loan Agreement. Refer to the Investigating Accountant's Report set out in Section 11 of this Prospectus for further details.
- 2 Refer to Section 14.9 of this Prospectus for further details in relation to the expenses of the Offer.
- 3 This figure does not include the US\$250,000 (approximately A\$357,000) that has been advanced to SSG by the Company pursuant to the Loan Agreement summarised in Section 13.2.
- 4 This includes corporate overheads, ASX fees, audit fees, rent and general administration costs.
- 5 The Company may accept oversubscriptions of up to a further \$1,000,000 worth of Shares under the Offer. Any funds received pursuant to acceptance of oversubscriptions will be allocated towards the Company's working capital and to engage additional resources to accelerate development.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9).

If the Company raises less than the maximum subscription amount of \$5,000,000 under the Offer, it is intended that funds will be allocated firstly to the expenses of the Offer, and then the amount allocated to working capital will be scaled back accordingly.

The Board believes that the funds raised from the Offer, combined with existing funds will provide BUR with sufficient working capital at anticipated expenditure levels to achieve its objectives set out in this Prospectus.

It should be noted that the Company may not be self-funding through its own operational cash flow over the short to medium term referred to above. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

7.5 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in BUR are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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To the maximum extent permitted by law, BUR, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.6 Applications

Applications for Shares under the Offer must be made using the relevant Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Offer Closing Date**, which is currently scheduled to occur on 4 April 2016.

Applications under the Offer must be accompanied by payment in full in Australian currency by cheque in accordance with the instructions set out in the Application Form.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 2 9290 9600.

7.7 Issue of Shares and Allocation Policy

(a) General

Subject to the satisfaction of each of the Conditions (see Section 2.5), the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

(b) Offer

The allocation of Shares under the Offer will be determined by the Board in its absolute discretion.

There is no guaranteed allocation of Shares under the Offer.

The Board reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the Applicant as soon as practicable after the Offer Closing Date.

The Company's decision on the number of Shares to be allocated to an applicant will be final.

(c) Defects in applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

(d) **Interest**

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

7.8 ASX listing

The Company will apply for Official Quotation of all Shares offered under this Prospectus within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.5). As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 6.5), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition or the Offer.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

7.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship

BUR participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHES. Investors who do not wish to participate through CHES will be issuer sponsored by BUR.

Electronic sub-registers mean that BUR will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in BUR during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

7.10 Applicants outside Australia – general information

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Shares in any place or jurisdiction, 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 of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offer does not and will not constitute an offer of Shares in the US. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that applicant's application.

7.11 Enquiries

If you have any queries in relation to the Offer, please contact Alexander Sundich, the Company Secretary on +61 2 8252 6177.

8. COMPANY OVERVIEW

8.1 Business Overview and Future Direction of BUR

As detailed in Section 6.1, since listing, the Company has focused on the exploration and development of petroleum and gas properties in the United States of America. Further information can be found on BUR's website, <http://www.burlesonenergyltd.com>.

As announced on 3 December 2015, BUR entered into a conditional heads of agreement to acquire 100% of the issued capital of SSG.

Upon Settlement of the Acquisition, the Company's focus will shift from petroleum and gas exploration in the USA to the development of the SSG Business.

8.2 Background on SSG and the Business

SSG, a UK incorporated company with a European and Israeli Research and Development centre, founded and staffed by aerospace and satellite industry experts, aims to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The core SSG business strategy is to construct a communication infrastructure based on nano-satellite technology and develop software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give global coverage once a sufficient global network of nano-satellites are deployed.

The SSG business strategy is: "Nano-satellite communication coverage on an anywhere to everywhere", base with relatively low maintenance costs. Due to the experience and expertise of the SSG founders in the aerospace industry, the business aims to develop and upgrade capabilities within short intervals, utilising their unique IP-nanosat software protocols.

Further information on SSG's technology and business model is set out below.

8.3 Background and description of the technology

The term "Nanosatellite" or "nanosat" is applied to an artificial satellite with a wet mass between 1 and 10 kg (2.2 and 22.0 lb). Designs and proposed designs of these types may be launched individually, or they may have multiple nano-satellites working together or in formation, in which case, sometimes the term "satellite swarm" or "fractionated spacecraft" may be applied.

SSG intends to create a global communication network using existing hardware technology, which reduces the costs of establishing production and assembly line, alongside their developed software that will be IP registered in the UK.

The network will provide voice, data and internet applications services 24/7 globally, with initial constellation of low cost nano-satellites, which will be placed in carefully selected orbits giving equatorial band coverage, and then additional constellations for full global coverage.

The ability of SSG to achieve the objectives set out above will depend upon SSG's ability to develop and commercialise the SSG technology. Please refer to

Sections 5D and 9.2(a)(ii) for further discussion of the risks associated with the development and commercialisation of SSG's technology.

8.4 The Satellite Communications Industry

As a result of technology updates and corresponding increasing commercial demands, the need for low cost and low risk satellite constellations is forecast to grow over the next 10 years.

The current market can be described as follows:

- (a) Communications satellites based are expensive, hardly accessible to everyday users and requires dedicated transceivers.
- (b) In-system redundancy is limited, due to the very high cost of satellites and ground systems.
- (c) The demand for bandwidth is always on the rise and the industry is always behind with supplying this demand.
- (d) Current service pricing denies access to potential customers.
- (e) For cellular existing clients, roaming pricing is very high.

Nano-satellites, which are fully functional satellites weighing less than 10 kilograms, are relatively new. As part of an ongoing trend of reducing mass of satellites and commercialising space, the first nano-satellite was launched more than 10 years ago. Nano-satellites were used initially for academic purposes as student satellites but have gradually become a mature and standardised technology, with commercial companies entering this field, mainly for earth-imagery.

Since 2013, most nano-satellites that have been launched have been for commercial use. This has encouraged a small satellites launch market to support the increase in numbers and demand.

Currently (in 2016) there are 244 nano-satellites in orbit, out of 491 which were launched in the last decade.

Global communication via satellites is not new. There are service providers (such as Iridium, Inmarsat, Global Star, Thuraya), which have multi-satellites systems, with a total of approximately 2 million paying customers, based on pricing of ">\$1 /minute" at lowest rates (prepaid packages), using systems which already work – with no major change in the near future (no launches are predicted for 2016), and with very high costs of system maintenance. However, these systems (and therefore the services) are expensive, have low accessibility to everyday users and require dedicated transceivers. In-system redundancy is limited, due to the very high cost of satellites and ground systems. To the best of SSG's knowledge, no satellite communication provider with a multi-satellite system currently conducts business in relation to nano-satellite technology. The demand for bandwidth is always on the rise and the industry is always behind with supplying this demand.

8.5 Regulatory environment

Each communication satellite operator has to apply for frequency allocation and registration with the International Telecommunication Union (ITU).

The regulatory process is routine but may take some time. The process includes coordination between state authorities globally and also commercial entities

which are using the frequency spectrum allocation. As a UK-incorporated company, SSG will work with UK authorities and agencies.

SSG has begun a process for analysing the existing spectrum allocation in order to select best possible candidates for frequency registration application. SSG will apply for full system global frequency registration as well as pilot stage frequency registration. Since SSG is a UK-incorporated company, the frequency allocation request will be undertaken through the United Kingdom Office for Communication. SSG will engage an experienced ITU-process expert, with proven experience and a track record of success, to undertake this task.

Since the first stage of SSG program (the demonstration) falls under the category of initial testing, the application process may be significantly shorter than for the complete operational system.

8.6 Potential Applications of Nano-Satellites

There are over 4 billion people currently without any mobile coverage and the current high cost of service pricing denies access to potential customers. Global communication via satellites is not new technology as there are existing service providers such as Iridium (market capitalisation of approximately \$700 million), Inmarsat, Global star and Thuraya. In 2014, these existing service providers had multi-satellites systems with a total of approximately 2 million paying customers, based on pricing of "greater than \$1 per minute" at the lowest prepaid package rates using existing systems. These existing service providers do not appear to have any major changes to their satellite systems in the near future, as no launches are predicted for 2016 and each have very high system maintenance costs. Further, existing satellite systems (and therefore the existing satellite services) are expensive, have low accessibility to everyday users and require dedicated transceivers. In-system redundancy is also limited, due to the very high cost of satellites and ground systems.

The demand for satellite bandwidth is always on the rise and the industry is always behind in keeping up with supply, in particular for the following applications:

- (a) Maritime;
- (b) Aviation;
- (c) Transportation;
- (d) Government / military;
- (e) Travel;
- (f) Heavy equipment;
- (g) Oil and gas;
- (h) Emergency response; and
- (i) Hosted payloads.

8.7 The future of SSG

SSG's goal is to launch a constellation of nano-satellites, placed in carefully selected orbits giving full coverage of the Earth, to create a disruptive and

global communication network providing affordable voice, data and messaging services. The ability to achieve this goal will depend on the key factors described in Section 8.8 and if successful, the proposed nano-satellite system will be able to provide affordable service to anyone, anywhere, anytime.

Such a system could provide communication infrastructure either for premium customers (for example global corporates, the security sector, international transport companies etc) or everyday customers, especially in remote or underdeveloped areas. Nano-satellites can also offer roaming cellular service at affordable rates.

SSG is developing a unique system design. The system includes not only satellites, but also orbit selection and network management software which are part of SSG's research and development. Satellite network management includes both the system command and control and also the communication unique protocols. As SSG is a UK-incorporated company, all of the software developed by SSG will be registered as SSG's intellectual property in the United Kingdom. Some intellectual property will also be patented as required in the United Kingdom (and globally) and according to SSG benefit. SSG will use intellectual property registration both as a means of protecting its intellectual property and as leverage for raising the company value.

The ability of SSG to achieve the objectives set out above and to generate income will depend upon SSG's ability to develop and commercialise the SSG technology. Please refer to Sections 5D and 9.2(a)(ii) for further discussion of the risks associated with the development and commercialisation of SSG's technology.

8.8 SSG Business Model

The SSG business strategy is to provide and charge customers for cheaper communications infrastructure based on a network of low cost, nano-satellites with low maintenance costs.

To achieve this SSG will utilise simple existing and ready to use equipment. This reduces the costs of establishing production and assembly lines, time to market from ordering parts and the opportunity to have multiple suppliers. Further, there is currently only one-way to place constellations of satellites in space by launching one satellite per launch and the cost of launch per satellite is currently relatively high. The main difference with SSG's nano-satellites is that each launch can carry up to 30 nano-satellites, which will immediately divide the cost per satellite by 30. This enables SSG to reduce its costs in comparison to traditional satellite constellations, which will assist SSG in providing an affordable service to anyone, anywhere, anytime.

Current launch services offer nano-satellites launch opportunities as "ride-share" (or "piggyback") with a large satellite launch. It is not uncommon to have multiple nano-satellites launched as ride-share, for example in June 2014 the Russian Dnepr Cluster Mission 2014 launched 37 satellites). For the full operational system deployment, SSG intends to secure a dedicated SSG nano-satellites launch, enabling SSG to control launch parameters such as schedule, altitude, inclination and insertion to orbit, and also allowing the launch of multiple nano-satellites at once.

For the traditional space industry, launch costs are at the order of tens of millions of US dollars. For the "New Space" industry, of which nano-satellites are an important part of, the cost per satellite can be as low as US\$300,000. This is the result of resource sharing on the launcher, and launching many satellites on the

same launch. SSG intends to take advantage of this low pricing, which is a key element of SSG's business model.

8.9 Key Dependencies of the Business Model

The key factors that the Company will depend on to meet its objectives are:

- (a) successful launch and operations of 3 nano-satellite pilot phase: the ability of SSG to achieve its aim of establishing a constellation of nano-satellites is subject to the use of existing and ready to use, space tested equipment to build and successfully launch 3 nano-satellites by mid-2017. The success of the 3 nano-satellite pilot phase launch by mid-2017 is anticipated to enable SSG to attract further funding in following a successful pilot phase operation to then build and deliver in space an equatorial constellation of nano-satellites;
- (b) research and development efforts by SSG: optimising existing and future nano-satellite technology is a key part of SSG's business strategy. The capital and operating costs in future years may potentially be significantly lower;
- (c) satellite phone and data packages pricing: the SSG business model is based on affordable satellite communication using its nano-satellites as compared to conventional satellites. Current pricing of these services using conventional satellites is very high compared to nano-satellites and is not expected to change in the coming years due to the high investments in infrastructure by existing players in the market; and
- (d) development of a global satellite communication market: the market demand exceeds current supply, this situation is expected to remain the same in the next decade at least. In this kind of environment (over-demand) the SSG business model and strategy have a potential advantage.

8.10 Growth Strategy

For growth, the Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:

- (a) successfully launching multiple constellations of nano-satellites for global communication coverage;
- (b) developing strategic relationships with global enterprises for use of SSG's platform of communication services; and
- (c) selling the platform bandwidth on each new constellation to global customers.

8.11 Funding

The funding for the Company for the short to medium term following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.4 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

8.12 Financial Information

(a) Historical financial information

The Investigating Accountant's Report contained in Section 11 of this Prospectus sets out:

- (i) the reviewed Statement of Financial Position of BUR as at 31 December 2015;
- (ii) the unaudited (but reviewed) Statement of Financial Position of SSG as at 31 December 2015; and
- (iii) the reviewed pro-forma Statement of Financial Position of BUR (after Settlement of the Acquisition) as at 31 December 2015.

Investors are urged to read the Investigating Accountant's Report in full.

The full financial statements for BUR for its financial year ended 30 June 2015 and half year ended 31 December 2015, which include the notes to the financial statements, can be found from BUR's ASX announcements platform on www.asx.com.au.

(b) Forecast

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of BUR are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.13 Dividend Policy

It is anticipated that, post-Settlement of the Acquisition, BUR will focus on the development of the SSG Business. BUR does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by BUR will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of BUR, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by BUR.

8.14 Capital Structure

The expected capital structure of the Company following completion of the Offer and all related matters (assuming no Options are exercised and none of the Performance Share milestones are satisfied at Settlement) will be as follows:

SHARES	Minimum subscription (\$4 million)	Maximum subscription (\$5 million)	Acceptance of oversubscriptions (\$6 million)
Shares currently on issue (pre-	1,100,000,000	1,100,000,000	1,100,000,000

Consolidation)			
Shares on issue post-Consolidation	220,000,000	220,000,000	220,000,000
Consideration Shares to be issued to SSG Shareholders at Settlement (post-Consolidation)	740,000,000	740,000,000	740,000,000
Facilitation Shares (post-Consolidation)	40,000,000	40,000,000	40,000,000
Shares to be issued pursuant to the Offer (post-Consolidation) ¹	200,000,000	250,000,000	300,000,000
TOTAL SHARES	1,200,000,000	1,250,000,000	1,300,000,000

PERFORMANCE SHARES	Number
Performance Shares currently on issue	Nil
Performance Shares to be issued to SSG Shareholders at settlement of the Acquisition (post-Consolidation) ¹	300,000,000
TOTAL PERFORMANCE SHARES	300,000,000

Notes:

1. Consisting of 100,000,000 A Class Performance Shares, 100,000,000 B Class Performance Shares and 100,000,000 C Class Performance Shares. Refer to Section 14.3 for the terms and conditions relating to the Performance Shares.

OPTIONS	Number
Options currently on issue (pre-Consolidation)	4,000,000 ¹
Options on issue post-Consolidation	800,000²
TOTAL OPTIONS	800,000

Notes:

1. Options exercisable at \$0.03 on or before 1 December 2016.
2. Post-Consolidation, unquoted Options exercisable at \$0.15 on or before 1 December 2016.

This is a statement of current intentions as at the date of this Prospectus. Intervening events may alter how the Company funds the Acquisition which may impact the proposed capital structure.

8.15 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue (on a pre-Consolidation basis):

Shareholder	Shares	Voting power %
Norman Joseph Zillman	86,533,883	7.87%
Mainview Holdings Pty Ltd and Monslit Pty Ltd	69,715,007	6.34%

On completion of the Consolidation, the Acquisition and the Offer (assuming the minimum subscription is raised under the Offer, and no other Shares are issued other than the Consideration Shares and Facilitation Shares), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (on a post Consolidation basis):

Shareholder	Shares	Voting power %
Meir Moalem	219,333,334	18.28
Meidad Pariente	219,333,333	18.28
Yonatan Shrama	219,333,333	18.28

8.16 Maximum Voting Power of SSG Shareholders

The table below indicates the maximum voting power the SSG Shareholders and their Associates will each hold in the Company assuming the Consideration Shares are issued, and separately that the Performance Shares are converted into Shares, in both cases assuming the minimum subscription under the Offer is raised and the Facilitation Shares are issued, but no other Shares are issued, and no SSG Shareholders or their Associates acquire Shares under the Offer.

SSG Shareholder	Shares held post issue of Consideration Shares	Voting Power %	Shares held post conversion of Performance Shares	Voting Power %
Meir Moalem	219,333,334	18.28	300,000,000 ¹	20
Meidad Pariente	219,333,333	18.28	300,000,000 ²	20
Yonatan Shrama	219,333,333	18.28	300,000,000 ³	20
Chitta Lu Ltd	36,900,000	3.08	36,900,000	2.46
Platypus Investments Ltd	45,100,000	3.76	45,100,000 ⁴	3.01
Doron Zauer	-	-	58,000,000 ⁵	3.87
Total	740,000,000	61.68	1,040,000,000	69.34

Notes:

1. It is proposed that Meir Moalem will be issued with a total of 80,666,666 Performance Shares, consisting of 25,333,333 A Class Performance Shares, 25,333,333 B Class Performance Shares and 30,000,000 C Class Performance Shares.
2. It is proposed that Meidad Pariente will be issued with a total of 80,666,667 Performance Shares, consisting of 25,333,333 A Class Performance Shares, 25,333,334 B Class Performance Shares and 30,000,000 C Class Performance Shares.

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3. It is proposed that Yonatan Shrama will be issued with a total of 80,666,667 Performance Shares, consisting of 25,333,334 A Class Performance Shares, 25,333,333 B Class Performance Shares and 30,000,000 C Class Performance Shares.
4. It is proposed that Platypus Investments Ltd will be issued with 45,100,000 Shares.
5. It is proposed that Doron Zauer will be issued with a total of 58,000,000 Performance Shares, consisting of 24,000,000 A Class Performance Shares, 24,000,000 B Class Performance Shares and 10,000,000 C Class Performance Shares.

8.17 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain Securities on issue (including the Consideration Securities) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

All or a proportion of the Consideration Securities may be restricted from trading for a period of up to 24 months after the date of re-admission of the Company to the Official List. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

8.18 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offer and prior to the Securities re-commencing trading on ASX.

9. RISK FACTORS

The business, assets and operations of the Company, including after Settlement, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of our Company. The Company's Securities comprise a speculative investment, particularly as it is proposed for the Company's business after the Acquisition to comprise participation in the digital currency sector and its associated business.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from SSG, parties contracted or associated with SSG and the Heads of Agreement and other agreements, including, but not limited to, those summarised in this Prospectus.

The risks and uncertainties described below are not intended to be exhaustive. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, SSG and their related entities and consequently Applicants.

Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all SSG's Shares are as follows.

9.1 Risks relating to the Change in Nature and Scale of Activities

(a) Re-Quotation of Shares on ASX

The acquisition of SSG constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(b) Dilution Risk

The Company currently has 1,100,000,000 pre-Consolidation Shares on issue. Following completion of the Consolidation, the Company proposes to issue the 740,000,000 Shares and 300,000,000 Performance Shares under the Acquisition, 40,000,000 Shares to facilitators who have

assisted with the Acquisition and 200,000,000 Shares at \$0.02 per Share to raise a minimum of \$4,000,000 under the Offer.

On completion of the Acquisition and the minimum subscription of the Shares under the Offer (assuming no exercise of Options) the existing Shareholders will retain approximately 18.33% of the issued capital of the Company, with the SSG Shareholders holding 61.67%, the investors under the Offer holding 16.67% and facilitators of the Acquisition holding 3.33% of the issued capital of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

(c) **Contractual Risk**

Pursuant to the Heads of Agreement (summarised in Section 13.1 of this Prospectus) the Company has agreed to acquire 100% of the issued share capital of SSG subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Heads of Agreement. The Offer is conditional on the Heads of Agreement becoming unconditional meaning that if the outstanding conditions precedent (summarised in Section 13.1) are not satisfied (or waived in accordance with the terms of the Heads of Agreement) Settlement will not occur. If Settlement does not occur the Company will not be able to achieve the objectives in relation to SSG as set out in this Prospectus.

Further, if any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(d) **Liquidity Risk**

On completion of the Acquisition, the Company proposes to issue 740,000,000 Shares and 300,000,000 Performance Shares to the SSG Shareholders (on a post Consolidation basis). These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules.

Based on the post-Offer capital structure (as set out in Section 8.14), the Consideration Shares will equate to approximately 61.67% of the post-Offer issued Share capital (assuming the minimum subscription under the Offer). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

9.2 Risks specific to SSG's business

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of SSG including risks specific to the businesses and assets of SSG which include the following non-exhaustive list:

(a) **Acquisition of interest in SSG**

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of SSG, including risks specific to the business and assets of SSG, which include the following non-exhaustive list:

(i) **Technology risks**

- (A) Nanosatellites: Although SSG will develop and provide specifications, SSG does not plan to manufacture its own hardware. SSG will outsource nano-satellites manufacturing, while using Customer Off The Shelf (**COTS**) hardware to meet many technological needs as part of its business model. As such, SSG will depend on subcontractors meeting the demand and specifications for its nano-satellites, assuming the risk of a subcontractor not meeting the requirements.
- (B) Software development: Major effort will be dedicated to software management, specifically for satellite communication network management. Software development is always a risk for budget and schedule, both for development itself and also for debugging and proofing of software.
- (C) Ground system procurement and integration: SSG's nano-satellites will be controlled by a ground control system, which is a strictly COTS product that will require integration and testing. Once SSG procures an appropriate COTS ground control system, it will select a suitable location to place it, this is yet unknown and will be determined prior to the launch. The placement of the ground control system may require approval of the relevant local authorities.
- (D) Communication hardware and link budget: SSG plans to use COTS communication hardware, with performance meeting operational requirements according to analysis and specifications. Failure of hardware, or even reduced performance of hardware (according to specifications), may lead to degradation in system performance.
- (E) End-User Component: Using the SSG system will require an end-user component and interface between the customer device (such as a smartphone) and the SSG system. Such component may be an external antenna or router, or an add-on dongle. SSG plans to use existing COTS products with small modifications. Failure to find such an end user component will require development and possible additional funding.

(ii) **Development and commercialisation of the SSG technology**

The success of the Company post-Settlement will depend upon SSG's ability to develop and commercialise the SSG technology. A failure to successfully develop and commercialise the SSG technology could lead to future revenue or profits not eventuating and a loss of opportunities for

the Company. This could in turn adversely impact the Company's operating results and financial position.

Any inability to access third party proprietary software, or flaws in any third party software used by SSG, could adversely affect SSG's ability to develop and commercialise the SSG technology.

There is a risk that the Company's current and any new technology launched and developed may be unprofitable because they are not supported by sufficient interest or otherwise not adequately marketed and fail to generate interest.

Alternatively, the launch of the Company's technology may be extremely successful which may result in a sharp increase in demand.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of commercialisation.

(iii) **Competition**

- (A) Pricing: The SSG business model and strategy is based on low pricing for market penetration. Competitors may select to use an aggressive pricing policy in order to defend their market share, even at the cost of a loss.
- (B) Wide band systems: There are several initiatives worldwide for development of a global wide band systems (Wi-Fi anywhere). SSG estimates these systems are not mature and require mass investments of resources, not yet invested, with a lead-time of 5-10 years as minimum. There is a risk of a global player investing significant funds and resources for building such a system.
- (C) Similar system: The hardware used in SSG's communications network is COTS. There is a possibility of competition trying to imitate the SSG concept.
- (D) Litigation affected by competition: While there is no current legal risk, it is possible for competitors to try and influence frequency allocation procedures with direct appeals to the International Telecommunication Union (ITU) or by using local (state level) influence. Such activity may delay SSG possibility to deploy an operational system.

(iv) **Regulation Risks**

- (A) ITU frequency allocation for operational system: ITU approval is required for using communication frequencies in fully operational system. SSG cannot guarantee ITU approval.

- (B) Satellites orbit regulation: Although currently there are no specific regulatory issues concerning nanosatellites in Low Earth Orbit (**LEO**), this is a matter of global policy and regulation. SSG cannot guarantee this will not change prior to system deployment, and if there will be additional regulation, how it will influence budget and schedule.
- (C) Export license and End-use/End-user regulations: The founders of SSG and key personnel are Israeli citizens and subjected to Israel regulation of export license control. SSG is a registered UK company and is subjected to the UK regulation of export license control. SSG cannot guarantee it will have no impact on schedule or budget.

(v) **Partnership Risks**

The SSG business model requires signing partnership/customer agreements with local satellite communication providers. SSG will start at an early stage negotiation with such SatCom providers. However, there are factors beyond SSG control (such as local economy, competitor's activity, sitcom provider considerations etc) that may delay or preclude these agreements.

(vi) **Security Risks**

Global security issues may influence satellite communication market and industry. Investors should consider the implications on SSG and its possible success.

(vii) **Launch failure**

SSG will secure a launch of its nano-satellites with a launch provider. Space launch is a risk and there is the possibility of a failure, causing major program delay and the need to rebuild, integrate and test the nanosatellites. SSG will use common practice methods to minimize this risk, including selection of launch contractor with high success rate, insurance etc.

(viii) **Space environment**

- (A) Space environment qualification: SSG nanosatellites hardware is qualified for space environment at some level, however not all components are Rad-Hard (radiation resistant) or fully redundant, as part of the business model and technological concept. There is the possibility of in-space failure due to space environment issues.
- (B) Space weather events: Extreme space weather events such as solar flares, solar eruptions, gamma ray bursts etc are a rare possibility. Although SSG hardware will be designed and tested to withstand nominal space environment conditions, SSG satellites (as most satellites currently in use) are not designed to withstand such an extreme event.

(ix) **SSG's intellectual property – Development and Registration in UK**

SSG will be developing intellectual property (IP) mainly for network algorithms, processing and network management, which it will take steps to protect with an IP registration strategy to the extent possible. Satellite orbit selection, optimisation (and combination) for equatorial coverage is unique and will be a significant and material competitive IP advantage against any future competitors. Frequency regulatory issues should be resolved (as described) within the first year of Settlement using the procedures and knowhow possessed by SSG, and SSG's frequency registration will also be core SSG IP.

(x) **Market risks**

Current market forecast is for an ongoing increase in demand for satellites communication bandwidth. Macro-economic factors such as a global economy crisis may change this estimate and market demand.

(xi) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of SSG rests substantially on its senior management, key personnel and developers. There can be no assurance that there will be no detrimental impact on SSG if one or more of these employees cease their employment or if one or more of SSG's directors leaves its board.

(b) **Additional requirements for capital**

The funds raised under the Capital Raising are considered sufficient to meet the immediate SSG Business objectives of SSG and the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (particularly in relation to SSG) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the SSG's technology and establishing a full Equatorial and then Global constellation of nano-satellites in the future.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures,

penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed.

9.3 Company - going concern risk

The Company's interim consolidated financial statement for the half year ended 31 December 2015 noted the following:

*"During the half year period ended 31 December 2015, the Company and its consolidated entities (the **Group**) incurred a loss after tax of \$311,032 (31 December 2014: loss of \$1,177,804), and net operating cash outflows of \$216,936 (31 December 2014: net outflows of \$1,067,854).*

On 3 December 2015, Burlison announced it has entered into a binding heads of agreement pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in the nano-satellite technology company Sky and Space Global (UK) Limited (SSG) incorporated in England.

As part of the Acquisition, the Company will be required, pursuant to Listing Rule 11.1.2, to obtain approval from Burlison's shareholders at a general meeting. The Company will also be required, pursuant to Listing Rule 11.1.3, to re-comply with Chapters 1 and 2 of the Listing Rules.

The General Meeting of Burlison shareholders to approve the Acquisition and all related resolutions is scheduled for 1 April 2016. Further information on SSG, the Acquisition and the upcoming Shareholder Meeting can be found in the Notice of General Meeting which was dispatched to Burlison shareholders and lodged with the ASX on 2 March 2016.

The Directors have determined that it is foreseeable that the Group will continue to operate as a going concern and that it is appropriate that the financial statements be prepared on this basis.

In making this assessment, the Directors have considered the following scenarios and related factors given the future of the Group, its activities and extent of its future liabilities and funding requirements are dependent on the outcome of the upcoming Shareholder's Meeting to approve the acquisition of SSG:

Scenario 1: Approval is received at the Shareholders Meeting and the Group acquires SSG

The proposed acquisition of SSG will constitute a change in the nature and scale of the Company's activities from exploration and development of petroleum and gas properties in the USA to the business of operating a narrow-band communication network based on nano-satellites.

The Directors have had regard for the following factors should approval be granted at the upcoming Shareholder Meeting:

- *The Group has reported cash and cash equivalent assets of \$1,276,736 at 31 December 2015;*
- *The Group is not committed to further exploration or capital expenditure and also intends, should the Acquisition proceed, to dispose of its existing oil and gas assets;*
- *The cash flow forecasts under this scenario taking into consideration the conditions precedent for the settlement of the acquisition which include the indicative minimum funds to be raised from the re-compliance capital raising and the forecast cash outflows for the restructured Group support the going concern basis.*

Scenario 2: Approval is not received at the Shareholders Meeting and the Group does not acquire SSG

Should the acquisition of SSG not be approved at the upcoming Shareholder's Meeting, the Group the Directors have had regard of the following factors:

- *The Group has reported cash and cash equivalent assets of \$1,276,736 at 31 December 2015;*
- *The Group is not committed to further exploration or capital expenditure and will consider the future of its oil and gas business activities and may consider alternative opportunities;*
- *The level of costs to maintain the minimal operations of the Group and cash flow forecasts under this scenario support the Group being able to fund operations and discharge its liabilities in the normal course of business.*

The Financial Report has therefore been prepared on the basis of a going concern. This basis presumes that operations and funds, including sources of funding will be managed in accordance with the above factors to facilitate future operations and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business."

Notwithstanding the 'going concern' note in the Company's interim financial statement for the half year ended 31 December 2015, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short to medium term working capital requirements. However, it is likely that further funding will be required to meet the long term working capital costs of the Company. Please refer to Section 9.2(b) for further details.

9.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities.

(b) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil

disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) **Insurance risks**

The Company intends to insure its operations and those of SSG (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company or SSG may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company and SSG are not currently engaged in any litigation.

(e) **Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Security holders arising from the transactions the subject of this Notice or otherwise.

9.5 Investment speculative

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 Company's securities.

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10. BOARD AND MANAGEMENT

10.1 Directors and key personnel of the Company

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Michael Sandy (Executive Chairman);
- (b) Mr Alexander Sundich (Executive Director); and
- (c) Mr Peter Wall (Non-Executive Director).

It is intended that Mr Wall will remain on the Board of the Company following Settlement of the Acquisition (and will assume the role of Non-Executive Chairman) and Messrs Sandy and Sundich intend to resign upon Settlement of the Acquisition.

Pursuant to the Heads of Agreement, Brett Mitchell, Meir Moalem, Yonatan Shrama and Maya Glickman-Pariente will join the Board in the following roles:

- (a) Mr Brett Mitchell will fulfil the role of Corporate Executive Director of the Company;
- (b) Mr Meir Moalem will fulfil the role of Chief Executive Officer and Managing Director of SSG and Executive Director of the Company;
- (c) Ms Maya Glickman-Pariente will fulfil the role of Chief Operating Officer of SSG and Non-Executive Director of the Company; and
- (d) Mr Yonatan Shrama will fulfil the role of VP of Business Development of SSG and Non-Executive Director of the Company.

The Company is aware of the need to have sufficient management to properly manage the SSG business and the Board will continually monitor the management roles in the Company. The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company and SSG.

10.2 Current Directors and Senior Management of the Company

The profiles of each of the current Directors and Senior Management are set out below:

Michael Sandy (Executive Chairman & Director)

Michael Sandy is a geologist with more than 35 years' experience in the resources industry. He holds a Bachelor of Science (Hons) majoring in geology from the University of Melbourne and is a member of the American Association of Petroleum Geologists, the Australian Institute of Company Directors and the Petroleum Exploration Society of Australia.

Mr Sandy is a principal of the consulting company Sandy Associates Pty Ltd which provides technical, commercial and environmental services to the resources industry in Australia and internationally. He commenced his career as a minerals geologist with various mining exploration companies as well as the Australian research organisation, CSIRO. In 1982 he moved into petroleum geology, initially with the PNG government and later with Oil Search, and then

as a consultant to various oil and gas exploration companies exploring in Australasia.

From 1994, Mr Sandy was involved in establishing and floating Novus Petroleum Limited, and then held various senior roles including executive committee member, Business Development Manager and President of Novus USA (the last role based in Houston) until Novus was taken over in 2004. Mr Sandy was part of a small team which established and floated BUR on the ASX in 2006 and he held roles of Executive Director and Managing Director before becoming Chairman in 2013. He is also a non-executive director of Tap Oil Limited (ASX: TAP), MEO Australia Limited (ASX: MEO) and a director of two unlisted Australian resources companies. As set out in Section 10.1, Mr Sandy will resign on Settlement of the Acquisition.

Peter Wall (Non-Executive Director and Proposed Non-Executive Chairman)

Mr Peter Wall LLB BComm MAppFin FFin is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions. Mr Wall is a director of a number of other ASX listed companies.

As set out in Section 10.1, Mr Wall will remain on the Board and will assume the role of Non-Executive Chairman on Settlement of the Acquisition.

Alexander Sundich (Executive Director, Chief Financial Officer and Company Secretary)

Alexander Sundich is an experienced investment banker and corporate executive, having previously worked as a banker for Credit Suisse First Boston and Goldman Sachs, where he was responsible for advising oil and gas and mining companies on mergers and acquisitions and capital raisings, including for an extended period in the United States of America. From 2003 to 2006, Mr Sundich was the Chief Financial Officer of Record Investments Limited, an ASX 200 listed investment company. He also served as a Non-Executive Director of Eastern Star Gas, an ASX listed oil and gas company, from 2007 until its takeover in 2011 for approximately \$900 million.

Mr Sundich holds a Bachelor of Economics from the University of Sydney and a Master of Commerce from the University of New South Wales. He is a member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and is a Fellow of the Financial Services Institute of Australia. Mr Sundich is currently a Non-Executive Director of Petrel Energy Limited (ASX: PRL) and Ellex Medical Limited (ASX: ELX).

Mr Sundich was appointed an Executive Director and Chief Financial Officer of BUR on 13 March 2012 and resigned from the Board on 6 February 2013. He was re-appointed to the Board on 8 October 2013 and resigned on 27 October 2015. Mr Sundich was re-appointed to the Board on 24 March 2016.

As set out in Section 10.1, Mr Sundich will resign on Settlement of the Acquisition.

10.3 Proposed Directors

The profiles of each of the Proposed Directors are set out below:

Brett Mitchell (Proposed Corporate Director / Executive Director)

Mr Mitchell is a corporate finance executive with over 25 years of experience primarily in the finance, capital markets and resources industries. He has been involved in the founding, financing and management of early stage resources and technology companies and currently holds an executive directorship role on ASX listed MGC Pharmaceuticals Ltd (ASX:MXC) and non-executive directorship roles on DigitalX Ltd (ASX:DCC) and Acacia Coal Ltd (ASX:AJC).

Following Settlement, Mr Mitchell will be appointed to the board as the corporate director of the Company, and SSG group of companies.

Mr Mitchell holds a Bachelor of Economics from the University of Western Australia and is also a member of the Australian Institute of Company Directors (AICD).

Meir Moalem (Proposed Executive Director)

A jet fighter pilot and Lt. Col (Res.) of the IAF, Meir Moalem has over 20 years of experience in management, R&D and operation of state-of-the-art projects in Space Systems and Unmanned Aerial Systems. Among those, Mr Moalem has acted as a deputy q. Commander and leading the MEIDEX experiment on Space Shuttle Columbia (STS-107) as the project manager for Israel's first astronaut flight, Managing Israel's satellite projects (such as Ofeq, Tecsar) and more.

Mr Moalem has a B.Sc in Physics and computer sciences (with Honours) and an M.A. from the Diplomacy and National Security executive program (with Honours). Mr Moalem is currently working on his PhD in national security and space programs at Tel Aviv University, Israel. Mr Moalem has also received the Israel National Defense award in 2009.

Yonatan Shrama (Proposed Non-Executive Director)

Yonatan has over 12 years of experience in business development and entrepreneurship in automotive technology systems, medical equipment and High technology security equipment.

Yonatan has extensive experience in managing teams and processes.

Yonatan is currently the chairman of Enigmo, a Cyber company, and VP Bizdev at SPACECIALIST.

Maya Glickman-Pariente (Proposed Non-Executive Director)

Highly experienced and regarded as a global industry leader, Maya Glickman-Pariente is SSG's Chief Operating Officer and will lead the SSG team on satellite mission analysis, mission control software development, and operations management. Ms Glickman-Pariente is MASTER STK certified and was a Senior Satellite Engineer of communications satellite with wide experience in satellite operations.

Ms Glickman-Pariente was part of the AMOS-3 development team, LEOP and IOT missions as well as the AMOS-1 end of life mission team. She designed and optimized several large scale constellations for earth observation and

communication use, and was involved in the assembly, integration and testing of "Duchifat-1", the first Israeli nano-satellites.

Ms Glickman-Pariente has a B.Sc. in Aerospace Engineering and M.E in System Engineering, both from the Technion Aerospace faculty, and is also a graduate of the 2004 ISU summer session program in Adelaide, Australia. Recently, Ms Glickman-Pariente was nominated Associate Chair of the space engineering department in the International Space University summer session program 2016.

10.4 SSG Senior Management

Meidad Pariente (Chief Technology Officer)

With more than 20 years of hands-on experience in the space industry, Meidad Pariente is a founder of SSG and will be the Chief Technical Officer. Mr Pariente started as AMOS-1 satellite operator, and later was the Deputy Mission Manager of AMOS-2. Mr Pariente was Chief Systems Engineer of AMOS-3 which successfully launched in 2008, and was Special Engineering Advisor for AMOS-5 which launched in 2011.

Mr Pariente led a team of Israeli engineers and scientists designing the VENUS project, a joint Israeli-French hyper spectral satellite. As the Chief Systems Engineer, Mr Pariente is a leading nano-satellite expert and has "hands on" experience, industry know-how and connections across Europe and the USA.

A year and a half ago, Mr Pariente and his wife, Maya Glickman-Pariente, lead the "Duchifat-1" project, the first Israeli nano-satellite which was launched successfully in June 2014 and is still active. Mr Pariente is also a special advisor for space insurance underwriters and brokers, performing risk assessments and failure analysis.

Mr Pariente holds a Masters of Engineering degree in Systems Engineering from The Technion, and a Bachelor of Science degree in Physics from Tel Aviv University.

10.5 Personal Interests of Directors

Directors are not required under BUR's Constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' and Proposed Directors' remuneration and relevant interest in the Securities of the Company upon completion of the Offer and the Acquisition are set out in the table below (on a post Consolidation basis):

Director	Remuneration for year ended 30 June 2014	Remuneration for year ended 30 June 2015	Proposed remuneration for current financial year	Shares	Options	Performance Shares
Existing Directors						
Michael Sandy ¹	\$120,000	\$107,000	\$2,000 per month ²	2,954,075	Nil	Nil
Peter Wall	N/A	N/A	\$2,000 per month	4,000,000 ³	Nil	Nil
Alexander Sundich ⁴	\$120,000	\$107,000	\$2,000 per month ⁵	7,726,875 ⁶	Nil	Nil
Proposed Directors						
Brett Mitchell	Nil	Nil	\$3,000 per month	10,000,000 ⁷	Nil	Nil
Meir Moalem	Nil	Nil	\$3,000 per month ⁸	219,333,334	Nil	80,666,666 ⁹
Yonatan Shrama	Nil	Nil	\$3,000 per month ¹⁰	219,333,333	Nil	80,666,667 ¹¹
Maya Glickman-Pariente	Nil	Nil	\$3,000 per month ¹²	Nil	Nil	Nil

Notes:

- Mr Sandy will resign as a Director upon settlement of the Acquisition. Mr Sandy's Shares are held by Cresta Vista Pty Ltd as trustee for the Sandyburns Super Fund.
- In addition to his Directors' fees, Mr Sandy receives a \$1,000 consulting fee per day for executive and administrative work provided to the Company as required.
- 4,000,000 Shares held by Pheakes Pty Ltd <Senate A/C> of which Mr Wall is sole director and company secretary.
- Mr Sundich will resign as a Director upon settlement of the Acquisition.
- In addition to his Directors' fees, Mr Sundich receives a \$1,000 consulting fee per day for executive and administrative work provided to the Company as required.
- 5,200,000 Shares are held by Pine Street Pty Ltd as trustee for Pine Street Trust and 2,526,875 Shares are held by Pine Street Pty Ltd as trustee for Pine Street Superannuation Fund.
- To be held by Mr Mitchell or his controlled nominee.
- Mr Moalem will also receive US\$11,000 per month for consultancy services provided to SSG as summarised in Section 13.7(a) of this Prospectus.
- Consisting of 25,333,333 A Class Performance Shares, 25,333,333 B Class Performance Shares and 30,000,000 C Class Performance Shares.
- Mr Shrama will also receive US\$8,800 per month for consultancy services provided to SSG as summarised in Section 13.7(c) of this Prospectus.
- Consisting of 25,333,333 A Class Performance Shares, 25,333,334 B Class Performance Shares and 30,000,000 C Class Performance Shares.
- Ms Glickman-Pariente will also receive US\$11,000 per month for consultancy services provided to SSG as summarised in Section 13.7(b) of this Prospectus.

BUR's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$200,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. The

remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

10.6 Director participation in the Offer

None of the Directors or Proposed Directors intend on participating in the Offer.

10.7 Agreement with Directors

The agreements the Company has entered into with Directors and Proposed Directors are contained in Sections 13.1, 13.7, 13.8 and 13.9.

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4 April 2016

The Directors
Burlson Energy Limited
Level 6, 9 Barrack Street
SYDNEY
NSW 2000

Dear Directors,

Investigating Accountant's Report

Burlson Energy Limited (To be renamed "Sky and Space Global Ltd")

Independent Limited Assurance Report ("Report") on Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Burlson Energy Limited ("Burlson") to report on the historical financial information of Sky and Space Global (UK) Limited ("SSG") and the pro forma historical financial information of Burlson Energy Limited as represented by the Statement of Financial Position as at 31 December 2015 for inclusion in a prospectus dated on or about 22 March 2016 for the offer of up to 250,000,000 fully paid ordinary shares in the capital of Burlson ("Shares") at an issue price of \$0.02 per share to raise up to \$5,000,000 before costs, with a minimum subscription of \$4,000,000, and the ability to accept oversubscriptions of up to a further 50,000,000 shares at an issue price of \$0.02 per share to raise up to a further \$1,000,000, relating to the proposed acquisition of SSG ("the Prospectus").

This Report does not address the rights attaching to the securities to be issued pursuant to the Prospectus nor the risks associated with the investment.

Expressions and terms defined in the Prospectus have the same meaning in this Report.

Scope

The Directors have requested Rothsay Chartered Accountants to prepare a report for inclusion in the Prospectus covering the following information:

Historical Financial Information

The historical financial information, detailed in Appendix 1 of this report, comprises:

- the historical statement of financial position of SSG as at 31 December 2015.

The historical information has been prepared by SSG management and has not previously been audited or reviewed.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the measurement and recognition principles contained in the International Financial Reporting/ Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentations and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information, detailed in Appendix 2 of this report, comprises:

- Burlson's Pro Forma Historical Statement of Financial Position as at 31 December 2015, shown with pro forma adjustments to show the effect of events and transactions related to the acquisition as if they had occurred at 31 December 2015.



The Pro Forma Historical Financial Information has been derived from Burleson's reviewed historical Statement of Financial Position as at 31 December 2015, shown with pro forma adjustments to show the effect of events and transaction related to the acquisition as if they had occurred at 31 December 2015.

The Historical Financial Information and Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Directors' responsibility

The directors of Burleson Energy Limited are responsible for the preparation of the pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information.

The directors of SSG are responsible for the preparation of the historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on our review.

We have conducted an independent review of the Historical Financial Information and Pro Forma Historical Financial Information in order to state whether, based on the procedures performed, anything has come to our attention that would cause us to believe that:

- The Historical Financial Information does not present fairly SSG's Statement of Financial Position as at 31 December 2015 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards;
- The Pro Forma transactions do not provide a reasonable basis for the Pro Forma Historical Financial Information;
- The Pro Forma Historical Financial Information does not present fairly the consolidated Statement of Financial Position as at 31 December 2015 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards as if the SSG acquisition had occurred at 31 December 2015.

Our independent review of the Historical Financial Information and Pro Forma Historical Financial Information has been conducted with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Review conclusion on Historical Financial Information and Pro Forma Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Historical Financial Information does not present fairly SSG's Statement of Financial Position as at 31 December 2015 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards;
- The Pro Forma transactions do not provide a reasonable basis for the Pro Forma Historical Financial Information;
- The Pro Forma Historical Financial Information does not present fairly the consolidated Statement of Financial Position as at 31 December 2015 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards as if the SSG acquisition had occurred at 31 December 2015.



Restriction on Use

Without modifying our conclusions, we draw attention to section 8.12 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

Consent

Rothsay Chartered Accountants has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Declaration of Interest

Rothsay Chartered Accountants does not have any interest in the outcome of this transaction other than in respect of preparing this report and participation in the due diligence procedures for which normal professional fees will be received.

Yours faithfully,

Frank Vrachas
Partner

Rothsay Chartered Accountants

4 April 2016

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Appendix 1 – Historical Financial Information

The table below sets out the SSG's Historical Statement of Financial Position as at 31 December 2015.

			SSG GBP	SSG AUD
Current Assets				
Trade and Other Receivables			10,000	20,288 ¹
Total Current Assets			10,000	20,288
Liabilities			₂	₂
Total Liabilities			-	-
Capital and Reserves				
Share Capital			10,000	20,288
Shareholders' funds			10,000	20,288

¹ This translation has been performed based on a AUD:GBP conversion rate of 0.4929 as at 31 December 2015 as per the Reserve Bank of Australia

² Refer to Note 3 in Appendix 3

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Appendix 2 – Pro Forma Historical Financial Information

The table below sets out the Burluson pro forma historical statement of financial position as at 31 December 2015, shown with pro forma adjustments to show the effect of events and transaction related to the acquisition as if they had occurred at 31 December 2015. The pro forma historical financial information is provided for illustrative purposes only and is not represented as being necessarily indicative of Burluson's or SSG's view of their future financial position.

Statements of Financial Position as at 31 December 2015

	Note	Actual Separate Statements		Pro Forma Adjustments ³	Pro Forma Consolidated Statements		
		BUR	SSG		Minimum subscription (\$4,000,000)	Maximum subscription (\$5,000,000)	Over- subscription (\$6,000,000)
		AUD	AUD		AUD	AUD	AUD
Current Assets							
Cash and Cash Equivalents	3	1,276,736	-	5,435,180 ⁴	4,833,916	5,772,916	6,711,916
Trade and Other Receivables		10,000	20,288	-	30,288	30,288	30,288
Accrued Revenue		127,786	-	-	127,786	127,786	127,786
Other - GST		18,235	-	-	18,235	18,235	18,235
Total Current Assets		1,432,757	20,288	5,435,180	5,010,225	5,949,225	6,888,225
Total Assets		1,432,757	20,288	5,435,180	5,010,225	5,949,225	6,888,225
Current Liabilities							
Creditors and Borrowings		64,361	-	-	64,361	64,361	64,361
Total Current Liabilities		64,361	-	-	64,361	64,361	64,361
Non-Current Liabilities		-	-⁵	-	-⁵	-⁵	-⁵
Total Liabilities		64,361	-	-	64,361	64,361	64,361
Net Assets		1,368,396	20,288	5,435,180	4,945,864	5,884,864	6,823,864
Equity							
Contributed Equity	5	31,449,365	20,288	(20,693,596) ⁶	8,896,057	9,836,057	10,776,057
Reserves		3,473,207	-	(3,473,207) ⁷	-	-	-
Accumulated Losses	6	(33,554,176)	-	29,601,893 ⁸	(3,950,193)	(3,951,193)	(3,952,193)
Total Equity		1,368,396	20,288	5,435,180	4,945,864	5,884,864	6,823,864

³ The Pro Forma adjustments are included for illustrative purposes assuming a capital raising of \$6,000,000 (oversubscription). The effects on the Pro Forma consolidated statements of financial position for the other scenarios are detailed in Notes 3 and 4 in Appendix 3 "Notes to and forming part of the Report"

⁴ Inclusive of proceeds of \$6,000,000 capital raising (assuming oversubscriptions), less expenses of the Offer of \$608,320, plus proceeds of \$43,500 from the sale of Burluson's Oil & Gas assets;

⁵ Refer to Note 6 in Appendix 3

⁶ Elimination of Burluson contributed equity such that the residual is the fund raising and acquisition of SSG

⁷ Elimination of Burluson Reserves

⁸ Elimination of the pre-combination equity within the accounting acquiree

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Appendix 3 – Notes to and forming part of the Report

The following notes are relevant to both the Historical Financial Information and Pro Forma Historical Financial Information, as detailed in Appendices 1 and 2 respectively. Burlinson Energy Limited is a for-profit entity for the purpose of preparing the financial information.

1. Significant Accounting Policies

(a) Basis of Preparation

The financial information has been prepared in accordance with the recognition and measurement requirements (but not all the disclosure requirements) of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board as appropriate for for-profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial information also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial information are presented below and have been consistently applied unless otherwise stated.

The financial information has been prepared on an accruals basis and is based on historical costs.

The pro forma historical financial information incorporates the assets, liabilities and results of entities controlled by Burlinson Energy Limited ('Burlinson') and Sky and Space Global (UK) Limited ('SSG') as at 31 December 2015 should the acquisition of SSG occurred on that date.

On 3 December 2015, Burlinson announced it has entered into a binding heads of agreement pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in SSG being a nano-satellite technology company incorporated in England.

The General Meeting of Burlinson shareholders to approve the Acquisition and all related resolutions is scheduled for 1 April 2016. Further information on SSG, the Acquisition and the upcoming Shareholder Meeting can be found in the Notice of General Meeting which was dispatched to Burlinson shareholders and lodged with the ASX on 2 March 2016.

Under the principles of AASB 3 *Business Combinations*, SSG is the accounting acquirer and Burlinson is the accounting acquiree, and the above transaction has therefore been accounted for as a reverse acquisition. Accordingly, pro forma historical statement of financial position of Burlinson Energy Limited and its controlled entities has been prepared as a continuation of the consolidated financial statements of SSG.

(b) Principles of Consolidation

A controlled entity is any entity over which Burlinson Energy Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

In preparing the financial information, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full upon consolidation.

Accounting for Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the Statement of Profit and Loss and Other Comprehensive Income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.



Under the principles of AASB 3 *Business Combinations*, the acquisition of SSG will be recorded as a reverse acquisition. Accordingly, the pro forma historical statement of financial position of Burleson Energy Limited and its controlled entities is prepared as a continuation of the consolidated financial statements of SSG. This will result in the Legal Parent (Burleson) being accounted for as the subsidiary, while the Legal Acquiree (SSG) being accounted for as the parent. In accordance with the reverse acquisition principals, the consideration to be provided to SSG was determined to be \$4,400,000 (based on the 0.02 cents post consolidation issue price of the Capital Raising Shares under the Prospectus), which is the fair value of 220,000,000 (1,100,000,000 pre-consolidated) shares owned by the former Burleson shareholders as at 31 December 2015 (in the absence of being able ascribe a fair value to the shares of SSG).

The excess of the fair value of the shares owned by the former Burleson shareholders and the fair value of the identifiable net assets of Burleson immediately prior to the completion of the business combination is to be accounted for under AASB 2 *Share based payments* as a Listing Expense (the cost of re-listing and going public) of \$2,988,104 and will be expensed in the statement of profit or loss and other comprehensive income. The net assets of Burleson will be recorded at fair value at the completion of the business combination. No adjustments are expected to be required to the historical book values.

(c) Foreign currency transactions and balances

Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). As Burleson is registered and managed in Australia, the financial information is presented in Australian dollars ('AUD'), which is Burleson Energy Limited's functional currency historically. As SSG's operations are based in the United Kingdom, the functional currency of SSG is British Pounds ('GBP') historically.

The functional currency applied to the pro forma historical financial information is United States Dollars ('USD') as this is the most influential currency for the activities to be undertaken by the combined entity. The presentation currency is AUD. Given the pro forma adjustments that have been applied as at 31 December 2015 are converted from AUD to USD as at that date, and then presented through back to AUD in accordance with the Australian Accounting Standards, there is no significant Foreign Currency Translation Reserve impact.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in other comprehensive income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with original maturities of 90 days or less. In addition the financial information takes into account the proceeds from capital raising involved in the SSG acquisition.

(e) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.



Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(g) Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

(h) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30 day terms.

(i) Going concern

The Directors have determined that it is foreseeable that the Group will continue to operate as a going concern and that it is appropriate that the financial statements be prepared on this basis.

In making this assessment, the Directors have considered the following scenarios and related factors given the future of the Group, its activities and extent of its future liabilities and funding requirements are dependent on the outcome of the upcoming Shareholder's Meeting to approve the acquisition of SSG:

The proposed acquisition of SSG will constitute a change in the nature and scale of the Company's activities from exploration and development of petroleum and gas properties in the USA to the business of operating a narrow-band communication network based on nano-satellites.

The Directors have had regard for the following factors should approval be granted at the upcoming Shareholder Meeting:

- The Group has reported cash and cash equivalent assets of \$1,276,736 at 31 December 2015;
- The Group is not committed to further exploration or capital expenditure and also intends, should the Acquisition proceed, to dispose of its existing oil and gas assets;
- The cash flow forecasts under this scenario taking into consideration the conditions precedent for the settlement of the acquisition which include the indicative minimum funds to be raised from the re-compliance capital raising and the forecast cash outflows for the restructured Group support the going concern basis.

The funds raised under the Capital Raising are considered sufficient to meet the immediate SSG Business objectives of SSG and the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (particularly in relation to SSG) to take advantage of



opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the SSG's technology.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

The Financial Report has therefore been prepared on the basis of a going concern. This basis presumes that operations and funds, including sources of funding will be managed in accordance with the above factors to facilitate future operations and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

2. Actual and Proposed Transactions to arrive at the Pro Forma Historical Financial Information

The pro forma historical financial information has been included for illustrative purposes to reflect the position of Burleson on the assumption that the following transactions had occurred as at 31 December 2015:

- a) the completion of the consolidation of capital on a 1 for 5 basis;
- b) the acquisition of all of the shares of SSG by way of an issue of the Consideration Securities to SSG shareholders comprising 740,000,000 Consideration Shares, and 300,000,000 Performance Shares (both on a post-Consolidation basis) at a deemed issue price of 0.02 cents per share. This gives a total deemed consideration of \$14,800,000 for the Consideration Shares, with a nil value attributed to the Performance Shares. However, as detailed in Note 1(b) above, under reverse acquisition accounting principles, the cost of the acquisition is deemed to be \$4,400,000 giving rise to a Listing Expense of \$2,988,104 relating to SSG going public;
- c) issue of the 40,000,000 Facilitation Shares (on a post-Consolidation basis) to parties that have assisted with facilitating the Acquisition. The deemed fair value of the Facilitation Shares is 0.02 cents per share, giving a total fair value of \$800,000 and is accounted for as a cost of the Acquisition;
- d) Issue of the Shares (on a post-Consolidation basis) under the Offer as follows:
 - i. Minimum subscription under offer of \$4,000,000:
 - Issue of 200,000,000 shares in Burleson for \$0.02 per Share pursuant to the Prospectus
 - Prospectus offer costs of AUD\$486,320 pursuant to Prospectus
 - ii. Minimum subscription under offer of \$5,000,000:
 - Issue of 250,000,000 shares in Burleson for \$0.02 per Share pursuant to the Prospectus
 - Prospectus offer costs of AUD\$547,320 pursuant to Prospectus
 - iii. Minimum subscription under offer of \$6,000,000:
 - Issue of 300,000,000 shares in Burleson for \$0.02 per Share pursuant to the Prospectus
 - Prospectus offer costs of AUD\$608,320 pursuant to Prospectus
- e) sale of Burleson's oil and gas assets for \$43,350.



3. Cash and cash equivalents

	Note	Actual Separate Statements		Pro Forma Consolidated Statements		
		BUR	SSG	Minimum subscription (\$4,000,000)	Maximum subscription (\$5,000,000)	Over-subscription (\$6,000,000)
		AUD	AUD	AUD	AUD	AUD
Cash on hand and at bank		1,276,736	-	1,276,736	1,276,736	1,276,736
Proceeds from sale of Oil & Gas assets		-	-	43,500	43,500	43,500
Issue of shares	2	-	-	4,000,000	5,000,000	6,000,000
Expenses of the offer including share issue costs	4	-	-	(486,320)	(547,320)	(608,320)
		1,276,736	-	4,833,916	5,772,916	6,711,916

4. Expenses of the Offer

In accordance with the Australian Accounting Standards, the expenses of the Offer are treated as follows:

- incremental costs that are directly attributable to issuing new shares should be deducted from equity;
- costs that relate to the listing, or are otherwise not incremental and directly attributable to issuing new shares, should be recorded as an expense in the income statement; and
- costs that relate to both share issuance and listing should be allocated between those functions on a rational and consistent basis. In the absence of a more specific basis for apportionment, an allocation of common costs based on the proportion of new shares issued to the total number of (new and existing) shares listed is an acceptable approach and has been adopted in the Pro Forma Historical Financial Information.

The costs of the Offer have therefore been accounted for as follows:

- Based on the minimum subscription under Offer

	\$4,000,000 minimum subscription under Offer	Charged to Profit & Loss	Allocated to Equity
	AUD	AUD	AUD
ASIC fees	2,320	2,320	-
ASX fees	79,000	79,000	-
Legal fees	80,000	61,538	18,462
Investigating Accountants Fees	15,000	11,538	3,462
Lead Manager fees	300,000	-	300,000
Printing, distribution and miscellaneous	10,000	7,692	2,308
	486,320	162,089	324,231



- Based on \$5,000,000 maximum subscription under Offer

	\$5,000,000 maximum subscription under Offer	Allocated to Profit & Loss	Adjusted to Equity
	AUD	AUD	AUD
ASIC fees	2,320	2,320	-
ASX fees	80,000	80,000	-
Legal fees	80,000	61,538	18,462
Investigating Accountants Fees	15,000	11,538	3,462
Lead Manager fees	360,000	-	360,000
Printing, distribution and miscellaneous	10,000	7,692	2,308
	547,320	163,089	384,231

- Based on \$6,000,000 over-subscriptions under Offer

	\$6,000,000 over- subscriptions under Offer	Allocated to Profit & Loss	Adjusted to Equity
	AUD	AUD	AUD
ASIC fees	2,320	2,320	-
ASX fees	81,000	81,000	-
Legal fees	80,000	61,538	18,462
Investigating Accountants Fees	15,000	11,538	3,462
Lead Manager fees	420,000	-	420,000
Printing, distribution and miscellaneous	10,000	7,692	2,308
	608,320	164,089	444,231

4. Contributed equity

	Note	Actual Separate Statements		Pro Forma Consolidated Statements		
		BUR	SSG	Minimum subscription (\$4,000,000)	Maximum subscription (\$5,000,000)	Over- subscription (\$6,000,000)
		AUD	AUD	AUD	AUD	AUD
As at balance date		31,449,365	20,288	20,288	20,288	20,288
Issue of consideration shares to SSG	1(b)(i)	-	-	4,400,000	4,400,000	4,400,000
Issue of facilitator shares	2	-	-	800,000	800,000	800,000
Issue of capital raising shares	2	-	-	4,000,000	5,000,000	6,000,000
Share issue costs attributed to equity	4	-	-	(324,231)	(384,231)	(444,231)
		31,449,365	20,288	8,896,057	9,836,057	10,776,057



Reconciliation of the Number of shares:

	Note	Actual Separate Statements		Pro Forma Consolidated Statements		
		BUR	SSG	Minimum subscription (\$4,000,000)	Maximum subscription (\$5,000,000)	Over-subscription (\$6,000,000)
		No	No	No	No	No
As at balance date		1,100,000,000	10,000	1,100,000,000	1,100,000,000	1,100,000,000
Consolidation of capital on 1 for 5 basis	2			220,000,000	220,000,000	220,000,000
Issue of consideration shares to SSG	2			740,000,000	740,000,000	740,000,000
Issue of facilitator shares	2			40,000,000	40,000,000	40,000,000
Issue of capital raising shares	2			200,000,000	250,000,000	300,000,000
				1,200,000,000	1,250,000,000	1,300,000,000

5. Accumulated losses

	Note	Actual Separate Statements		Pro Forma Consolidated Statements		
		BUR	SSG	Minimum subscription (\$4,000,000)	Maximum subscription (\$5,000,000)	Over-subscription (\$6,000,000)
		AUD	AUD	AUD	AUD	AUD
As at balance date prior to proforma adjustments		(33,554,176)	-	-	-	-
Listing Expense	1(b)(i)	-	-	(2,988,104)	(2,988,104)	(2,988,104)
Expenses of the offer including share issue costs charged to the profit or loss	4	-	-	(162,089)	(163,089)	(164,089)
Facilitator share based payment	2	-	-	(800,000)	(800,000)	(800,000)
		(33,554,176)	-	(3,950,193)	(3,951,193)	(3,952,193)



6. Commitments

(a) Procurement Contract

In March 2016, SSG entered into a contract with GomSpace ApS for the procurement of three Nano-Satellites which are ready for launch and one Ground Station from which the three Nano-Satellites will be operated. The value of the contract is funded and included as part of the expected "Use of Funds" in Nano-satellite construction and groundstation costs, as disclosed in Section 7.4 of the Prospectus.

(b) Consultancy Agreements

SSG has entered into the following consultancy agreements:

Name	Term of agreement	Notice period	Monthly fee
Meidad Pariente Chief Technology Officer	No fixed term	3 months	USD\$11,000
Meir Moalem Chief Executive Officer	No fixed term	3 months	USD\$11,000
Yonatan Shrama Vice President of Business Development	No fixed term	3 months	USD\$8,800
Maya Glickman-Pariente Chief Operations Officer	No fixed term	3 months	USD\$11,000

Contracts with Directors have been entered into as disclosed in Section 10 of the Prospectus.

(c) For further details of the above and other key contracts that represent contingent liabilities or commitments, refer to Section 13 of the Prospectus.

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12. CORPORATE GOVERNANCE

12.1 ASX Corporate Governance Council Principles and Recommendations

Our Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, BUR has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on BUR's corporate governance procedures, policies and practices can be obtained from the Company website at <http://www.burlesonenergy.com>.

12.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size

of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

12.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board is proposed to consist of 5 members. The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

12.4 Identification and management of risk

The Board will establish a risk management committee which will be responsible for overseeing the risk management function. The risk management committee will be responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the risk management committee will implement a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

12.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

12.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

12.7 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each Non-Executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

12.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that written notification to the Managing Director (or in the case of the Chairman, the full Board) must be satisfied prior to trading.

12.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

12.10 Audit committee

No audit committee has been constituted by the Company. The full Board undertakes the functions of an audit committee and fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

12.11 Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

12.12 Departures from Recommendations

Following re-admission to the Official List of ASX, BUR will be required to report any departures from the Recommendations in its annual financial report.

13. MATERIAL CONTRACTS

13.1 Heads of Agreement

In accordance with the terms of the Heads of Agreement dated 30 November 2015, the Company will acquire all of the issued shares in SSG as set out below conditional upon Settlement occurring in accordance with the Heads of Agreement.

The key terms of the Heads of Agreement are as follows:

(a) Conditions Precedent

Settlement of the Acquisition is subject to the satisfaction or waiver by the parties of the following outstanding conditions:

- (i) BUR, SSG and the SSG Shareholders obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law required to allow the parties to lawfully complete the matters set out in the Heads of Agreement including conditional approval to reinstatement to official quotation on the ASX following Settlement on conditions satisfactory to BUR and SSG;
- (ii) completion of the Consolidation;
- (iii) BUR completing a raising of not less than \$4,000,000 via the issue of Shares at not less than \$0.02 each (on a post-Consolidation basis) and no less than \$0.0035 each (on a pre-Consolidation basis);
- (iv) to the extent required by the ASX or the ASX Listing Rules, the SSG Shareholders (and their controllers to the extent required by ASX or the ASX Listing Rules) entering into restriction agreements with BUR in relation to the Shares and Performance Shares that are issued to the SSG Shareholders by the Company.

If the conditions are not satisfied (or waived) on or before 5:00pm (WST time) on 2 May 2016 (or such other date as BUR and SSG may agree) or become incapable of being satisfied and are not waived (**End Date**), either SSG or BUR may terminate the Heads of Agreement by notice in writing to the other parties. In this situation, the agreement constituted by the Heads of Agreement will be at an end and the parties will be released from their obligations under the Heads of Agreement (other than in respect of any breaches that occurred prior to termination).

(b) Consideration

In consideration for SSG entering into the Agreement, BUR made a non refundable cash payment of US\$100,000 to SSG.

Subject to satisfaction or waiver of conditions precedent to the Acquisition (summarised in Section 13.1(a) above), in consideration for the acquisition of the SSG Shares shall issue the SSG Shareholders with:

- (i) 740,000,000 Shares on a post-Consolidation basis; and

- (ii) 300,000,000 performance shares divided into three tranches of 100,000,000 on a post-Consolidation basis (**Performance Shares**). Each of the Performance Shares will convert into one Share upon satisfaction of the relevant milestone set out below.
- (A) 100,000,000 Performance Shares (**A Class Performance Shares**) will convert if SSG executes a launch contract for at least two nano-satellites within eighteen (18) months of Settlement;
 - (B) 100,000,000 Performance Shares (**B Class Performance Shares**) will convert if SSG completes the design and manufacture of a working nano-satellite together with the integration of requisites systems and communication capability, including a Launch Readiness Review (LRR) of the nano-satellite by its manufacturer to prove that the nano-satellite is fully validated and tested for launch, within twenty four (24) months of Settlement; and
 - (C) 100,000,000 Performance Shares (**C Class Performance Shares**) will convert if successfully launches at least two nano-satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano-satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement.

(c) **Board of directors of Burleson**

Following Settlement, SSG will have the right to appoint three (3) Directors out of a total of five (5) Directors, including the Chief Executive Officer of BUR. Current Director, Peter Wall will remain on the Board, with Brett Mitchell to join the Board as part of the Acquisition. Meir Moalem (proposed Chief Executive Officer of the Company), Yonatan Shrama and Maya Glickman-Pariente are SSG's nominee directors.

13.2 **Loan Agreement**

BUR and SSG have entered into a loan agreement (**Loan Agreement**) pursuant to which BUR has agreed to advance loan funds of up to US\$500,000 (or any other amount as may be agreed between BUR and SSG), interest-free, to SSG (**Facility Limit**).

As at the date of this Prospectus, BUR has made advances to SSG totalling US\$415,000.

The key terms of the Loan Agreement are as follows:

- (a) BUR will make advances to SSG up to the Facility Limit, with an initial advance equal to US\$250,000.
- (b) SSG must use the loan funds towards its operating budget to advance the commercial roll out of the SSG business, which has been agreed to under the Heads of Agreement.

- (c) Repayment of the loan will occur on the earlier (to the extent such occurs) of:
- (i) two (2) months after the End Date under the Heads of Agreement, provided that this shall only be considered to be a repayment date in the event that the SSG Shareholders (rather than BUR) have unreasonably chosen to not proceed to Settlement;
 - (ii) consummation of an equity investment into SSG from a third party investor of at least US\$1,000,000 (**Financing**); and
 - (iii) the date that the Loan is converted into Shares in accordance with the Loan Agreement.
- (d) The loan is interest free unless there is an event of default, in which case default interest of 10% per annum is payable on the default amount.
- (e) If repayment of the loan arises due to a Financing, BUR may elect to convert the outstanding monies due under the loan into shares in SSG at a deemed issue price per SSG share which is a 20% discount to the price per share in the Financing.

13.3 Lead Manager Mandate with Patersons Securities Limited

On 8 March 2016, the Company and Patersons Securities Limited entered into a mandate (**Mandate**) pursuant to which Patersons has agreed to act as lead manager to the Offer for:

- (a) a lead manager fee of \$60,000 (**Lead Manager Fee**); and
- (b) a selling fee of 6% (plus GST) of the amount raised under the Offer.

All fees are payable upon completion of the Offer.

In the event that the Company terminates the Mandate, or Patersons terminates the Mandate for cause, Patersons will be entitled to the Lead Manager Fee and the reimbursement of any incurred or accrued expenses up to the date of termination.

13.4 Procurement Contract with GomSpace ApS

On 1 March 2016, SSG signed a procurement contract with GomSpace ApS for the manufacture and delivery of SSG's first three nano-satellites and ground station (**Procurement Contract**).

The delivery schedule for the nano-satellites is as follows:

- (a) Preliminary design review of space ground segments by 1 June 2016;
- (b) Critical design review of space and ground segments by 5 September 2016; and
- (c) Functional acceptance test results and "ready for launch" approval by 15 February 2017.

The delivery schedule in relation to supply of the ground station is 15 March 2017.

The Procurement Contract period will commence upon tender of delivery of the nano-satellites and ground station will run for a term of two years unless terminated or extended in accordance with the Procurement Contract.

13.5 Letter of Intent with Sat-Space Africa (Ltd)

On 10 March 2016, SSG signed a letter of intent (**LOI**) with Sat-Space Africa (Ltd) (**Sat-Space**) for Sat-Space to provide assistance for the establishment and build-out of a narrow-band communications network based on nano-satellites to establish a network over the African continent (**Project**).

The LOI contemplates Sat-Space:

- (a) assisting SSG with negotiations with local Communications Ministries where needed;
- (b) affording use of its ground control stations where required during the Project pilot;
- (c) co-operating with SSG to establish a working commercial communication solution during the Project's pilot phase and, following the pilot phase of the Project; and
- (d) purchasing all available communications bandwidth to fill its demand from SSG, subject to competitive pricing.

The LOI also contemplates SSG granting Sat-Space certain exclusive rights for a pre-determined time period in the territories of the Democratic Republic of Congo and Republic of South Africa, under terms and conditions to be agreed between SSG and Sat-Space.

13.6 Memorandum of Understanding with Esstrack Pty Ltd

On 30 March 2016, SSG signed a memorandum of understanding (**MOU**) with Esstrack Pty Ltd (**Esstrack**), an Australian provider of satellite tracking and communication systems. Pursuant to the MOU, Esstrack and SSG will collaborate to establish a technical and commercial framework for integrating Esstrack's tracking and communications systems to operate using SSG's nano-satellite based narrow-band communications network.

The parties plan to demonstrate the integrated technical capabilities of the combined operating systems at the International Astronautical Congress in Adelaide, Australia in September 2017.

Pursuant to the MOU, both parties intend to enter into a formal agreement that will be focused on the commercialisation of the combined technologies.

13.7 Consultancy Agreements

(a) Mr Meir Moalem

SSG has entered into a consultancy agreement with Mr Meir Moalem (via Multimodis M.M. Ltd.) (**Consultant**) which sets out the terms upon which Mr Moalem will act as the Chief Executive Officer of SSG. The key terms of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.

- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Multimodis M.M. Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Multimodis M.M. Ltd.) all reasonable expenses incurred in the performance of his services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(b) **Ms Maya Glickman-Pariente**

SSG has entered into a consultancy agreement with Ms Maya Glickman-Pariente (via Spacecialist Ltd.) (**Consultant**) which sets out the terms upon which Ms Glickman-Pariente will act as the Chief Operations Officer of SSG. The key terms of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Spacecialist Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, the SSG will reimburse the Consultant (via Spacecialist Ltd.) all reasonable expenses incurred in the performance of her services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(c) **Mr Yonatan Shrama**

SSG has entered into a consultancy agreement with Mr Yonatan Shrama (via Yonatan Shanan Ltd.) (**Consultant**) which sets out the terms upon which Mr Shrama will act as SSG's VP of Business Development. The key terms and conditions of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$8,800 per month (plus VAT, to the extent required by law), paid to Yonatan Shanan Ltd., based on a minimum of 60% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Yonatan Shanan Ltd.) all reasonable expenses incurred in the performance of his services.

- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(d) **Mr Meidad Pariente**

SSG has entered into a consultancy agreement with Mr Meidad Pariente (via Spacecialist Ltd.) (**Consultant**) which sets out the terms upon which Mr Pariente will act as SSG's (Chief Technology Officer. The key terms and conditions of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Spacecialist Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Spacecialist Ltd.) all reasonable expenses incurred in the performance of his services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice

13.8 Letters of appointment – Proposed Directors

(a) **Mr Meir Moalem**

On 21 March 2016, Meir Moalem executed a letter of appointment to become an executive Director of the Company effective from the date of completion of the acquisition of SSG by the Company.

(i) **Term**

Mr Moalem's service will commence on the date of completion of the acquisition of SSG by the Company and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

(ii) **Fee**

Mr Moalem will be paid a fee of \$36,000 per annum for his role as an executive Director of the Company. Any fees paid to Mr Moalem will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Moalem for all reasonable expenses incurred in performing his duties.

(b) **Ms Maya Glickman-Pariente**

On 21 March 2016, Maya Glickman-Pariente executed a letter of appointment to become a non-executive Director of the Company effective from the date of completion of the acquisition of SSG by the Company.

(i) **Term**

Ms Glickman-Pariente's service will commence on the date of completion of the acquisition of SSG by the Company and will cease when she resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

(ii) **Fee**

Ms Glickman-Pariente be paid a fee of \$36,000 per annum for her role as a non-executive Director of the Company. Any fees paid to Ms Glickman-Pariente will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Ms Glickman-Pariente for all reasonable expenses incurred in performing her duties.

(c) **Mr Yonatan Shrama**

On 21 March 2016, Yonatan Shrama executed a letter of appointment to become a non-executive Director of the Company effective from the date of completion of the acquisition of SSG by the Company.

(i) **Term**

Mr Shrama's service will commence on the date of completion of the acquisition of SSG by the Company and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

(ii) **Fee**

Mr Shrama will be paid a fee of \$36,000 per annum for his role as a non-executive Director of the Company. Any fees paid to Mr Shrama will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Shrama for all reasonable expenses incurred in performing his duties.

(d) **Mr Brett Mitchell**

On 21 March 2016, Brett Mitchell executed a letter of appointment to become an executive Director of the Company effective from the date of completion of the acquisition of SSG by the Company.

(i) **Term**

Mr Mitchell's service will commence on the date of completion of the acquisition of SSG by the Company and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

(ii) **Fee**

During the term of his services, Mr Mitchell will be paid a fee of \$36,000 per annum. The fee paid to Mr Mitchell is subject to annual review by the Board. The Company will reimburse Mr McGovern for all reasonable expenses incurred in performing his duties.

Any additional remuneration by the Company for Mr Mitchell's executive services will be agreed on commercial terms, to be finalised with the Board following Completion

13.9 Deeds of indemnity, insurance and access

Current Directors and Proposed Directors

The Company is in the process of finalising deeds of indemnity, insurance and access with each of its Proposed Directors and will enter into such deeds with the Proposed Directors following their appointments. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

For existing directors, the Company has entered into deeds of indemnity, insurance and access.

For personal use only

14. ADDITIONAL INFORMATION

14.1 Litigation

As at the date of this Prospectus, neither BUR or SSG or any of their respective subsidiaries are involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against BUR or SSG or any of their respective subsidiaries.

14.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Offer)

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

(a) General meetings

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 of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special

arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) **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 he 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.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **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 or the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) **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.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) 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 passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

14.3 Terms of Performance Shares

The terms of the Performance Shares are set out as follows:

(a) **Rights attaching to the Performance Shares**

- (i) **(Performance Shares)**: Each Performance Share is a share in the capital of Burleson Energy Limited (ACN 117 770 475) (**BUR**).
- (ii) **(General meetings)**: Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of BUR that are circulated to the holders of fully paid ordinary shares in the capital of BUR (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (iii) **(No voting rights)**: A Performance Share does not entitle the Holder to vote on any resolutions proposed by BUR except as otherwise required by law.
- (iv) **(No dividend rights)**: A Performance Share does not entitle the Holder to any dividends.
- (v) **(No rights to return of capital)** A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (vi) **(Rights on winding up)**: A Performance Share does not entitle the Holder to participate in the surplus profits or assets of BUR upon winding up.
- (vii) **(Not transferable)**: A Performance Share is not transferable.
- (viii) **(Reorganisation of capital)**: If at any time the issued capital of BUR is reconstructed (including a consolidation, subdivision, reduction, cancellation or return of issued share capital), all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (ix) **(Application to ASX)**: The Performance Shares will not be quoted on ASX. However, if BUR is listed on ASX at the time of conversion of the performance shares into fully paid ordinary

shares (**Shares**), BUR must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.

- (x) (**Participation in entitlements and bonus issues**): A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (xi) (**Amendments required by ASX**): The terms of Performance Share may be amended as necessary by the BUR board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (xii) (**No Other Rights**): A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(b) **Conversion of the Performance Shares**

- (i) (**Milestones**): A Performance Share in the relevant class will convert into one Share upon achievement of:
 - (A) **A Class Performance Shares**: SSG executes a launch contract for at least two nanosatellites within eighteen (18) months of Settlement (**Milestone 1**);
 - (B) **B Class Performance Shares**: SSG completes the design and manufacture of a working nano satellite together with the integration of requisite systems and communication capability, including a Launch Readiness Review (LRR) of the nano satellite by its manufacturer to prove that the nano satellite is fully validated and tested for launch, within twenty four (24) months of Settlement (**Milestone 2**); and
 - (C) **C Class Performance Shares**: SSG successfully launches at least two nano satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement (**Milestone 3**),(each referred to as a **Milestone**).
- (ii) (**Conversion on change of control**): Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (A) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of FIE having received acceptances for more than 50% of BUR's shares on issue and being declared unconditional by the bidder; or
- (B) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of BUR or its amalgamation with any other company or companies,

that number of Performance Shares that is equal to a maximum of 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of performance shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(iii) **(Takeover Provisions)**

- (A) If the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this clause 14.3(b)(iii), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
- (B) The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) will not result in any person being in contravention of section 606(1).
- (C) The Company may (but is not obliged to), by written notice, request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) may result in the contravention of section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) may result in the contravention of section 606(1), then the Company shall assume that

the conversion of Performance Shares (or part thereof) under clauses 14.3(b)(i) or 14.3(b)(ii) will not result in any person being in contravention of section 606(1).

- (iv) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the required date, then the total number of Performance Shares on issue to each Holder will convert into one (1) Share.
- (v) **(Conversion Procedure):** BUR will issue the Holder with a new holding statement for the Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.
- (vi) **(Ranking upon conversion)** The Share into which a Performance Share may convert will rank pari passu in all respects with the existing BUR Shares.

14.4 Terms and Conditions of Performance Rights Plan

The key terms of the Company's Performance Rights Plan, for which Shareholder approval was obtained at the General Meeting, are as follows:

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
 - (i) a Director (whether executive or non-executive) of any Group Company;
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
 - (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above,

(Eligible Participants).
- (b) Under the Plan the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- (c) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - (ii) the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - (iii) any applicable vesting conditions;

- (iv) when unvested Performance Rights will expire (**Expiry Date**);
- (v) the date by which an offer must be accepted (**Closing Date**); and
- (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- (d) Subject to clause (h), a Performance Right granted under the Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.
- (e) The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.
- (f) Subject to the Corporations Act, the ASX Listing Rules and the Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- (g) A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan;
 - (ii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (iii) a vested Performance Right is not exercised within the time limit specified in the Plan;
 - (iv) an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant in accordance with the Plan;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan;
 - (vii) the Expiry Date of the Performance Right; and
 - (viii) the seven (7) year anniversary of the date of grant of the Performance Rights.

- (h) The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
- (i) a Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
 - (A) death or total or permanent disability; or
 - (B) retirement or redundancy; or
 - (ii) an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, suffering severe financial hardship;
 - (iii) the terminal illness of the participant (or Eligible Participant, as applicable) or of an immediate family member of the participant (or Eligible Participant, as applicable);
 - (iv) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,

in which case, a participant (or their personal legal representative where applicable) may exercise any vested Performance Right at any time within one month of the Board notifying that the Performance Right has vested, failing which the Performance Right will lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

14.5 Terms and conditions of Option Scheme

The key terms of the Company's Option Scheme, for which Shareholder approval was obtained at the General Meeting, are as follows:

- (a) **Eligibility:** Participants in the Scheme may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options under the Scheme (**Participants**).

- (b) **Administration of Scheme:** The Board is responsible for the operation of the Scheme and has a broad discretion to determine which Participants will be offered Options under the Scheme.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Scheme. The offer:
 - (i) set out the number of Options offered under the Scheme;
 - (ii) will specify the exercise price and expiry date of the Options;
 - (iii) will specify any exercise conditions and restriction periods applying to the Options;
 - (iv) will specify an acceptance period; and
 - (v) specify any other terms and conditions attaching to the Options.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.
- (e) **Exercise Conditions:** An Option may be made subject to exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Restriction Periods:** a Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the Scheme and as specified in the Offer for the Option.
- (g) **Lapse of Options:** Subject to this Scheme, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:
 - (i) the relevant person ceases to be a Participant for any reason whatsoever (including without limitation resignation or termination for cause) and:
 - (A) any exercise conditions have not been met by the date the relevant person ceases to be a Participant (**Ceasing Date**); or
 - (B) where any exercise conditions have been met by the Ceasing Date or the Option is not subject to any exercise conditions, the Participant does not exercise the Option within a period of three (3) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (ii) any exercise conditions are unable to be met; or
 - (iii) the expiry date has passed,whichever is earlier.
- (h) **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from

time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Scheme.

- (i) **Scheme limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (j) **Restriction on transfer:** Options will not be transferable except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- (k) **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- (l) **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Scheme) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

14.6 Interests of Directors and Proposed Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or

- (ii) the Offer.

14.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Rothsay Chartered Accountants has acted as Investigating Accountant and auditor of BUR and has prepared the Investigating Accountant's Report which is included in Section 11 of this Prospectus. The Company estimates it will pay Rothsay Chartered Accountants a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Rothsay Chartered Accountants has received \$61,000 in fees from the Company for audit and accounting services provided to the Company.

Patersons Securities Limited is acting as Lead Manager to the Offer. The Company estimates it will pay Patersons a total of \$360,000 (excluding GST) for these services if there is maximum subscription under the Offer (\$300,000 if minimum subscription). During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has received \$127,293 in fees from the Company for corporate advisory, placement, management and underwriting services provided to the Company.

Steinepreis Paganin has acted as the solicitors to BUR in relation to the Offer. BUR expects that it will pay Steinepreis Paganin approximately \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this

Prospectus with the ASIC, Steinepreis Paganin has acted for the Company and has received \$93,325.00 fees (excl GST and disbursements) from the Company for legal services provided to the Company.

14.8 Consents

Each of the parties referred to in this Section 14.8:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take 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; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

Rothsay Chartered Accountants has given its written consent to being named as Investigating Accountant and auditor in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 11 of this Prospectus in the form and context in which the information and report is included. Rothsay Chartered Accountants has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as Lead Manager of the Offer in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relevant to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

14.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$486,320 (assuming minimum subscription), \$547,320 (assuming maximum subscription) and \$608,320 (assuming acceptance of oversubscriptions) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$4,000,000 minimum subscription under Offer (\$)	\$5,000,000 maximum subscription under Offer (\$)	\$6,000,000 over- subscriptions under Offer (\$)
ASIC fees	2,320	2,320	2,320
ASX fees	79,000	80,000	81,000
Legal fees	80,000	80,000	80,000
Investigating Accountant's Fees	15,000	15,000	15,000
Lead Manager fees	300,000	360,000	420,000
Printing, Distribution and Miscellaneous	10,000	10,000	10,000
TOTAL	486,320	547,320	608,320

14.10 Continuous disclosure obligations

As the Company is admitted to ASX's Official List, the Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

14.11 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form and fully read those documents. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.burlesonenergy ltd.com.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

14.12 Governing law

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

For personal use only

15. DIRECTORS' AUTHORISATION

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Peter Wall
Director
For and on behalf of
BURLESON ENERGY LTD

For personal use only

16. **GLOSSARY**

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

A Class Performance Shares has the meaning given in Section 13.1(b)(ii).

Acquisition means the acquisition of the SSG Shares in accordance with the Heads of Agreement.

Application Form means an application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

B Class Performance Shares has the meaning given in Section 13.1(b)(ii).

Board means the board of Directors as constituted from time to time.

Business has the meaning given in Section 5A.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

C Class Performance Shares has the meaning given in Section 13.1(b)(ii).

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **BUR** or **Burleson** means Burleson Energy Ltd (ACN 117 770 475).

Conditions has the meaning set out in Section 2.5.

Consideration Shares has the meaning given in Section 6.6.

Consideration Securities means the Consideration Shares and Performance Shares.

Consolidation means the consolidation of the issued securities of the Company on a one (1) for four (4) basis (rounded up to the nearest whole number).

Constitution means the constitution of the Company.

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

D Class Performance Shares has the meaning given in Section 13.1(b)(ii).

Directors means the directors of the Company at the date of this Prospectus.

Facility Limit has the meaning given in Section 13.2.

General Meeting means the meeting of Shareholders held on 1 April 2016.

Heads of Agreement means the heads of agreement between the Company and SSG dated on or around 2 December 2015, the material terms of which are summarised in Section 13.1.

Loan Agreement has the meaning given in Section 13.2.

Mandate has the meaning given in Section 13.3.

Milestone 1 has the meaning given in Section 14.3(b)(i)(A).

Milestone 2 has the meaning given in Section 14.3(b)(i)(B).

Milestone 3 has the meaning given in Section 14.3(b)(i)(C).

Offer means the offer pursuant to this Prospectus, as set out in Section 7.1 of up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000 before costs. Oversubscriptions of up to a further \$1,000,000 worth of Shares above the maximum subscription of \$5,000,000 may be accepted by the Company.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Patersons means Patersons Securities Limited (ACN 008 896 311) (AFSL 239 052).

Performance Shares has the meaning given to it in Section 6.6.

Proposed Directors means Mr Brett Mitchell, Mr Meir Moalem, Mr Yonatan Shrama and Ms Maya Glickman-Pariente who will be appointed to the Board of the Company upon completion of the Acquisition.

Prospectus means this replacement prospectus.

Section means a section of this Prospectus.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

Settlement means settlement of the Acquisition in accordance with the terms of the Heads of Agreement.

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

Shareholder means a holder of Shares.

SSG means Sky and Space Global (UK) Limited, an entity incorporated in England, having Incorporation Number 9887327.

SSG Shares means 100% of the issued shares in SSG.

SSG Shareholders means the holders of SSG Shares.

US\$ means US dollars.

WST means Western Standard Time as observed in Perth, Western Australia.