

ENERGY BOTSWANA LIMITED

ACN 127 800 891

Target's Statement

in response to the Offers by Ormil Energy Limited ACN 107 708 305 to acquire
all of your EBL Shares and all of your EBL Options

The EBL Directors unanimously recommend that you
ACCEPT the Offers to acquire all of your EBL Securities
in the absence of a superior proposal.

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your financial or other professional adviser immediately.

Legal Adviser

CLAYTON UTZ

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Important notices

Nature of this document

This document is a Target's Statement issued by Energy Botswana Limited ACN 127 800 891 (**EBL**) in accordance with the Corporations Act in response to the Bidder's Statement issued by Ormil Energy Limited ACN 107 708 305 (**OMX**) in respect of the Offers. This Target's Statement is dated 16 July 2012.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are defined in Section 7 of this Target's Statement (Definitions and interpretation). That Section also sets out some rules of interpretation which apply to this Target's Statement.

Investment decision

The EBL Directors recommend that you read this Target's Statement and the Bidder's Statement in full and seek independent advice if you have any queries in respect of the Offers. This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of any EBL Securityholder. You may wish to seek independent financial, taxation and legal advice before making a decision whether or not to accept the Offers.

Forward-looking statements

This Target's Statement may contain forward-looking statements, which include statements other than statements of historical fact. EBL Securityholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of EBL. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

None of EBL, the EBL Directors, officers or advisers, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Target's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement.

ASIC

A copy of this Target's Statement was lodged with ASIC on 16 July 2012. Neither ASIC nor any of its officers takes any responsibility for the content of this Target's Statement.

Responsibility for information

The information in this Target's Statement concerning OMX and the OMX Securities has not been independently verified by EBL. EBL does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

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Key dates

Date of Bidder's Statement	16 July 2012
Date of this Target's Statement	16 July 2012
Date of Offers	16 July 2012
Scheduled close of Offers (unless extended or withdrawn)	5.00 pm Sydney time, 20 August 2012

Further information

Any questions regarding this Target's Statement should be directed to the Company Secretary of EBL on (08) 9316 9100 Monday to Friday between 8.30 am and 5.00 pm (WST).

Letter from the Chairman

16 July 2012

Dear EBL Securityholder

On 19 June 2012, Ormil Energy Limited (**OMX**) announced an intention to make offers for all of the ordinary shares and options in Energy Botswana Limited (**Offers**). OMX is an ASX listed coal seam gas exploration company with projects in New South Wales, Australia.

EBL Shareholders that accept the Share Offer will receive 9 OMX Shares for every 10 EBL Shares held, and EBL Optionholders that accept the Option Offer will receive one OMX Option for every 5 EBL Options held.

The EBL Directors unanimously recommend that you accept the Offers, in the absence of a superior proposal.

Accompanying this Target's Statement is the Bidder's Statement from OMX, which sets out the detailed terms of the Offers. A copy of the Bidder's Statement is also available from the website of the Australian Securities Exchange at www.asx.com.au (under the code "OMX").

This Target's Statement sets out the EBL Directors' formal response to the Offers, including the reasons why we unanimously recommend that you accept the Offers, in the absence of a superior proposal.

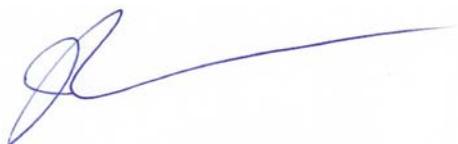
In summary, the EBL Directors recommend you accept the Offers, in the absence of a superior proposal, because:

1. There is currently no ready market for EBL Shareholders to trade EBL Shares. By accepting the Share Offer you will receive OMX Shares which, subject to any ASX-imposed escrow provisions, are freely tradeable.
2. EBL Shareholders have the opportunity to participate in a larger and more diversified energy company with greater financial capacity to fund expenditure commitments and future growth.
3. Each of these reasons is explained in greater detail in the following pages.
4. You should note that each of the EBL Directors intends to accept the Offers in respect of all of the EBL Securities which they own or control, in the absence of a superior proposal.

The Offers are scheduled to close at 5.00 pm Sydney time on 20 August 2012. To accept the Offers, simply follow the instructions outlined in the Bidder's Statement and the relevant Acceptance Form. No action is required if you decide not to accept the Offers.

I encourage you to read this document carefully and if you need any more information I recommend that you seek professional advice.

Yours sincerely



Raalin Wheeler
Chairman

1. Reasons why you should accept the Offers

This Section 1 summarises the key reasons why the EBL Directors unanimously recommend to the EBL Securityholders that they accept the Offers, in the absence of a superior proposal.

Under the Share Offer, EBL Shareholders are being offered 9 OMX Shares for every 10 EBL Shares held.

Under the Option Offer, EBL Optionholders are being offered 1 OMX Option for every 5 EBL Options held.

1.1 The Offers are unanimously recommended by the EBL Directors

The EBL Directors have carefully considered the Offers and unanimously recommend that, in the absence of a superior proposal, EBL Securityholders accept the Offers. Each of the EBL Directors intends to accept the Offers, in the absence of a superior proposal, in relation to the EBL Securities held or controlled by them.

No proposal that is superior to the Offers has been received by EBL since the Offers were announced on 19 June 2012.

1.2 Liquidity for EBL Shares

There is currently no ready market for EBL Shareholders to trade EBL Shares. By accepting the Share Offer you will receive OMX Shares which will be quoted on ASX and will be freely tradeable, subject to any escrow restrictions that may be applicable to the OMX Shares issued to you under the Share Offer. As a result, if you wish to sell your OMX Shares immediately, you can (subject to escrow restrictions).

For further details on the escrow arrangements please refer to Section 2.10.

1.3 Participation in the Combined Group

OMX is an Australia-based CSG exploration company focused on developing Australian CSG projects.

As a securityholder in the combined OMX / EBL group of companies (**Combined Group**), EBL Shareholders will receive a number of benefits including:

(a) **Financial, developmental and operational strength**

The Combined Group will have a pro forma combined equity value of approximately \$14.7 million following successful completion of the Offers (refer to section 5.4 of the Bidder's Statement).

As an ASX listed entity, the Combined Group will have a broader range of fundraising opportunities than EBL currently enjoys. In order to meet EBL's commitments in respect of its projects (including ongoing exploration and development activities), further funding will be needed, and the EBL Directors consider that the capacity to source this funding will be significantly enhanced by being part of the Combined Group.

The Combined Group's enlarged size and stronger balance sheet should improve access to funding at a lower cost than what EBL could achieve on a stand-alone basis and provide the Combined Group with the flexibility to allocate more funds and resources to advance EBL's projects.

(b) **Diversified exposure**

EBL Shareholders will gain exposure to OMX's interests in CSG projects in New South Wales, Australia.

The Combined Group will have a more substantial portfolio of CSG prospects and have the ability to pursue a broader range of new growth opportunities.

(c) **Continuing participation**

EBL Shareholders will retain a significant exposure to the assets, operations and growth prospects of EBL. Following the successful completion of the Offers, EBL Shareholders collectively will be entitled to 49.3% of all OMX Shares on issue.

1.4 **The Share Offer represents an appropriate value for your EBL Shares**

The Share Offer comprises 9 OMX Shares for every 10 EBL Shares held.

OMX Shares trade on the ASX. The highest, lowest and latest OMX Shares prices in the four months prior to the lodgement of this Target's Statement (on 16 July 2012) are as follows:

	Price of OMX Shares on ASX
Highest trading price in the 4 months prior to the date of this Target's Statement	\$0.03
Lowest trading price in the 4 months prior to the date of this Target's Statement	\$0.017
Last closing trading price prior to the date of this Target's Statement	\$0.025

The volume weighted average price of OMX Shares on ASX up to and including the date of the Bidder's Statement (16 July 2012), and the last traded price of OMX Shares on these dates, and value of the Share Offer (on a per EBL Share basis) implied by these prices, are as follows:

	Price of OMX Shares on ASX	Implied value of Share Offer (per EBL Share)
Last traded price*	\$0.028	\$0.025
1 month VWAP*	\$0.02	\$0.018
3 month VWAP*	\$0.028	\$0.025

* To the trading day immediately prior to the Announcement Date.

EBL is an unlisted Australian public company with no earnings history.

In order to assess the value of EBL Shares, a number of traditional valuation methods were considered, however, the EBL Directors determined that they were not appropriate to apply to consideration of the Offers. For example, the application of earnings multiples and quoted securities methodologies are not appropriate. The Company has not received any offer for EBL Shares or for its assets other than the Offers. Further, EBL does not consider that a valuation based on an orderly realisation of assets is an appropriate methodology because of the early exploration status of the EBL projects.

The issue price of EBL Shares in recent fundraisings is broadly comparable with the implied value of the Share Offer. Having taken into account qualitative as well as quantitative considerations, including that there is no ready market for EBL Shares and that the EBL Shareholders have the opportunity to participate in a larger and more diversified energy company with greater financial capacity to fund expenditure commitments and future growth, the EBL Directors believe that the Share Offer represents reasonable value for EBL Shares.

1.5 CGT rollover relief

In the event that OMX achieves its minimum acceptance condition of being entitled to 90% of all EBL Shares, then EBL Shareholders accepting the Share Offer may be entitled to CGT rollover relief. In summary, rollover relief means that the effective sale of your EBL Shares will not crystallise a taxation event, and any potential tax liability will be deferred until such time as you sell your OMX Shares.

It is expected that a similar outcome will be available to accepting EBL Optionholders.

EBL Securityholders should refer to section 7 of the Bidder's Statement and consult their professional advisers in regard to how accepting the Share Offer and the Option Offer will affect their individual circumstances.

1.6 Other matters

In considering whether to accept the Share Offer or the Option Offer, the EBL Directors encourage you to:

- (a) read both this Target's Statement and the Bidder's Statement in their entirety;
- (b) consider the future prospects of EBL, OMX and the Combined Group compared to the future prospects of EBL as a stand-alone entity;
- (c) have regard to your individual risk profile, portfolio strategy, tax considerations and financial circumstances; and
- (d) obtain financial advice from your own broker or financial advisor regarding the Share Offer and/or the Option Offer and obtain taxation advice on the effect of accepting the Offers.

If you choose not to accept the Offers, there are certain potential consequences of which you should be aware:

- the emergence of another bidder may be unlikely, particularly if OMX acquires sufficient EBL Securities to prevent another bidder from proceeding to compulsory acquisition or achieving effective control; and
- EBL will not have access to OMX's ability to raise capital or funding, meaning that EBL may remain without a funding solution in relation to its expenditure commitments for its projects.

2. Important matters for EBL Securityholders to consider

In making a decision whether to accept the Offers you should carefully consider your personal circumstances and have regard to the following matters.

2.1 Information on EBL

(a) Overview of EBL

EBL is an Australian registered, unlisted, public company focused on exploration for CBM (CSG) prospects in Botswana. EBL is headquartered in Perth, Western Australia and was incorporated in October 2007.

(b) Capital structure

As at the date of this Target's Statement, EBL has 325,843,174 EBL Shares on issue and 136,167,000 EBL Options on issue.

(c) Corporate structure

EBL has the following Subsidiaries:

- Nata Energy (Mauritius) Inc (Mauritius)
- Nata Energy (Pty) Ltd (Botswana)
- Baobab Resources (Pty) Ltd (Botswana)

(d) Overview of EBL's activities

EBL's activities are focussed on the Kalahari Karoo Basin in Botswana.

The Botswana Department of Geological Survey reports that 196 Tcf of "gas in place" is present in the coal and carbonaceous shale sequences in the central Kalahari Karoo Basin in Botswana.

EBL's CBM exploration portfolio comprises multiple CBM prospecting licences, focused on two separate project areas, within the overall central Kalahari Karoo Basin.

The "Central CBM Project" comprises 1,205 km² of prospecting licences over prospective CBM acreage in the Mmashoro Region. The "Northern CBM Project" comprises 1,132 km² of prospecting licences over prospective CBM acreage in the Nata Region.

The prospecting licences comprising these projects are as follows:

Prospecting Licence	Project Area	Size (km ²)	Status
352/2008	Central CBM Project	694.4	Current
353/2008	Central CBM Project	511.4	Current
644/2009	Northern CBM Project	479	Renewal pending
645/2009	Northern CBM Project	653	Renewal pending

In addition, EBL has a petroleum exploration licence application in the Nata Region currently pending with the Botswana Government.

2.2 Information in relation to OMX

OMX is a company registered in Australia and is making the Offers. OMX was incorporated in January 2004, originally known as Golden Tiger Mining N.L. before later changing its name to Ormil Energy Limited in August 2010. OMX is engaged primarily in exploration and development of CSG prospects, predominately in New South Wales, Australia.

OMX is listed on the ASX.

Section 3 of the Bidder's Statement provides background and financial information regarding OMX.

2.3 Profile of the Combined Group

For details of the Combined Group, EBL Securityholders should refer to section 5 of the Bidder's Statement.

2.4 Superior proposal

If you accept the Offers, then unless you are able to withdraw your acceptance in the circumstances described in Section 5.8 of this Target's Statement you will forego the opportunity to benefit from any superior proposal by another party for your EBL Securities should such proposal eventuate. As at the date of this Target's Statement, the EBL Directors are not aware of a proposal by anyone to make a superior proposal.

If OMX varies the Offers to increase the consideration it is offering for your EBL Securities, you will be entitled to receive the increased consideration even if you have already accepted the Offers, unless one of the defeating conditions attached to the revised offer is triggered and OMX does not waive that condition, in which case the revised offer will lapse and you will retain your OMX Securities.

2.5 EBL funding requirements

As at the date of this Target's Statement, EBL has minimal cash reserves. In order to fulfil its funding commitments in respect of its projects and otherwise maintain EBL's operations, EBL requires additional capital.

EBL intends to explore all funding opportunities that may be or become available to it, potentially including the raising of equity capital. If the EBL Directors decide to pursue an equity capital raising, the existing shareholding interests of EBL Shareholders will be diluted.

OMX's intentions in relation to funding requirements are set out in section 3.2 of the Bidder's Statement. OMX has indicated that it is likely to undertake an equity raising in the nature of a rights issue in order to fund the projects of the Combined Group.

2.6 Likelihood of the conditions being satisfied

The Offers are subject to a number of conditions, which are outlined in section 10 of Annexure A and section 10 of Annexure B to the Bidder's Statement (in respect of the Share Offer and the Option Offer respectively) and summarised briefly in Section 5.3 of this Target's Statement.

Whilst the EBL Directors believe that the conditions are likely to be satisfied, you should be aware that there is a risk that some of the conditions may not be satisfied. If this occurs, and

OMX does not waive the conditions, the Offers will lapse and you will retain your EBL Securities.

2.7 OMX's intentions with respect to the Offers and EBL

You should read section 6 of the Bidder's Statement which details OMX's intentions in respect of the businesses, assets and employees of EBL.

2.8 Risk factors

Section 8 of the Bidder's Statement outlines the risks that EBL Securityholders may face when investing in OMX Securities. Please read this information carefully. If you require further information regarding such risks in order to make a decision as to whether or not to accept the Offers, please contact your professional adviser.

Neither EBL nor any of its officers or advisers accepts any liability or responsibility in respect of movement in the price of OMX Shares before, during or following the close of the Offers.

2.9 Taxation

The taxation consequences of accepting the Offers depend on a number of factors and will vary depending on your particular circumstances.

Shareholders should refer to section 7 of the Bidder's Statement which contains a discussion of certain possible tax implications for EBL Securityholders. It is not intended to be an authoritative or complete statement of the tax position applicable to any given EBL Securityholder.

You should note that scrip-for-scrip capital gains tax roll-over relief should be available if you accept the Offers. The tax consequences for you will depend on your individual circumstances. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offers.

Foreign shareholders are encouraged to seek their own advice in relation to any financial or taxation consequences in their home country that may arise as a consequence of accepting the Offers.

Neither EBL nor any of its officers or advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

2.10 Escrow

EBL Shareholders who are to receive OMX Shares in consideration for their EBL Shares, which are determined by ASX to be "restricted securities" within the meaning of the ASX Listing Rules, will be required to enter into restriction agreements in respect of such OMX Shares in accordance with the requirements of ASX and the ASX Listing Rules. It is a condition to the Share Offer that all such EBL Shareholders enter into the required restriction agreements.

EBL has been advised by OMX that ASX requires Raalin Wheeler, Trent Wheeler and Tom Fontaine (and their controlled entities) to enter into restriction agreements in respect of the OMX Shares and OMX Options that they will receive as a result of accepting the Offers. Refer to section 9.7 of the Bidder's Statement.

2.11 EBL Securityholders with a registered address outside Australia

OMX is not making the Offers to EBL Securityholders that are "Ineligible Foreign Share holders" or "Ineligible Foreign Option holders" (as those terms are defined in the Bidder's Statement). If you are considered an "Ineligible Foreign Share holder" or "Ineligible Foreign Option holder" then, unless determined otherwise by OMX, you will not be entitled to receive the Share Consideration or the Option Consideration (as the case may be) and would instead receive the cash proceeds from a sale of the OMX Shares or OMX Options to which you would otherwise have been entitled. Refer to section 9 of Annexure A and section 9 of Annexure B of the Bidder's Statement for details on the treatment of "Ineligible Foreign Share holders" and "Ineligible Foreign Option holders" respectively.

Based on a review of the registers of EBL Securityholders and having reviewed relevant advice, the EBL Directors believe that no EBL Securityholders will be considered an "Ineligible Foreign Share holder" or an "Ineligible Foreign Option holder".

If you are an EBL Securityholder with a registered address outside of Australia and its external territories or New Zealand and you require confirmation of your entitlement to Offer Consideration upon an acceptance the Offers, you should contact the company secretary of OMX:

OMX company secretary
Mark Ohlsson
Email: ohlsson@bigpond.net.au
Telephone: (02) 8231 7035 (within Australia), +61 2 8231 7035 (outside Australia)

3. EBL Directors' recommendations and interests

3.1 Details of EBL Directors

The EBL Directors as at the date of this Target's Statement are:

- (a) Mr Raalin Wheeler (Chairman);
- (b) Mr Trent Wheeler (Managing Director); and
- (c) Mrs Jodie Wheeler (Non-executive Director).

3.2 EBL Directors' interests in EBL Securities

At the date of this Target's Statement, the EBL Directors have the following direct and indirect interests in EBL Securities:

EBL Director	Number of EBL Shares	Number of EBL Options
Raalin Wheeler	76,724,268*	31,451,613
Trent Wheeler	76,724,268*	31,451,613
Jodie Wheeler	Nil	Nil

* Includes 9,724,267 EBL Shares held by Kalahari Resources Pty Ltd, a company controlled by Raalin Wheeler and Trent Wheeler.

3.3 Recommendation of EBL Directors

Each EBL Director recommends that EBL Securityholders accept the Offers in respect of their EBL Securities, for the reasons set out in this Target's Statement (particularly the matters discussed in Section 1 of this Target's Statement), in the absence of a superior proposal.

3.4 EBL Directors' intentions in relation to personal holdings

Each EBL Director who holds or controls EBL Securities intends to accept the Offers, in the absence of a superior proposal.

3.5 Recent dealings in EBL Securities by EBL Directors

There have been no acquisitions or disposals of EBL Securities by EBL Directors or any of their respective Associates in the 4 months preceding the date of this Target's Statement other than as follows.

On 14 June 2012 EBL issued 9,724,267 EBL Shares at a deemed issue price of \$0.03 per share (being the price at which EBL Shares were most recently issued to unrelated subscribers) to Kalahari Resources Pty Ltd (**Kalahari**), an entity controlled by Raalin Wheeler and Trent Wheeler, in lieu of \$291,728 owed to Kalahari for corporate and operational expenditure incurred on behalf of EBL and its subsidiaries.

3.6 EBL Directors' relationship to OMX

None of the EBL Directors nor any of their respective Associates have:

- (a) a legal or beneficial interest in any OMX Securities; or

- (b) except as set out in this Target's Statement (and in particular Section 6.2), any interest in any contract entered into by OMX.

3.7 No agreement with any EBL Director in connection with the Offers

Except as set out in Section 6.2 of this Target's Statement, there is no agreement or arrangement made between any EBL Director and any other person in connection with or conditional on the outcome of the Offers.

3.8 Benefits

OMX has committed to appointing Raalin Wheeler and Trent Wheeler to the OMX board of directors.

EBL does not propose and, except as otherwise disclosed in this Target's Statement, is not aware of any proposal in connection with the Offers that will confer a benefit:

- (a) on any person in connection with the retirement of that person from a board or managerial office of EBL or related body corporate of EBL; or
- (b) that will or may be given to any person in connection with the transfer of the whole or any part of EBL's undertaking or property.

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4. Your choices as an EBL Securityholder

If you are an EBL Shareholder, you have 3 choices available to you:

- accept the Share Offer;
- sell your EBL Shares; or
- do nothing.

If you are an EBL Optionholder, you have 3 choices available to you:

- accept the Option Offer;
- exercise your EBL Options and become eligible to participate in the Share Offer; or
- do nothing.

The EBL Directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your EBL Securities.

4.1 Accept the Offers

Each of the EBL Directors recommends that you accept the Offers.

Each of the EBL Directors intends to accept the Offers in respect of all the EBL Securities they own or control.

Details of how to accept the Offers are set out in section 2 of the Bidder's Statement.

If you accept the Share Offer, you will not be able to sell your EBL Shares to anyone else, or accept any superior proposal that might emerge, unless the Offers are unsuccessful or the Offers are extended by a period of more than one month while still conditional.

The taxation implications of accepting the Offers depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian tax consequences of accepting the Offers is set out in section 7 of the Bidder's Statement. You should seek your own specific professional advice regarding the taxation consequences for you of accepting the Offers.

The Bidder's Statement states that if you accept the Offers you will not incur any brokerage charges.

4.2 You may sell your EBL Shares

If you do not wish to accept the Share Offer and do not wish to retain your EBL Shares, you may seek to sell your EBL Shares. However, as EBL Shares are not listed on any stock exchange, there is currently no ready market for EBL Shares.

4.3 You may exercise your EBL Options

During the Offer Period, you may exercise your EBL Options in accordance with the terms of the EBL Options. You will receive EBL Shares and then be eligible to participate in the Share Offer or alternatively, you may sell your EBL Shares (in this circumstance, you will lose the right to participate in the Share Offer).

4.4 You may do nothing and remain an EBL Securityholder

If you do not wish to accept the Offers and wish to retain your EBL Securities, you do not need to take any action.

If you do not accept the Offers and OMX becomes entitled to compulsorily acquire your EBL Securities under the Corporations Act (as it intends to do), you may receive your consideration later than Securityholders who choose to accept the Offers. Refer to Section 5.12 of this Target's Statement for details on compulsory acquisition.

Further, if the Offers are successful (i.e. the defeating conditions attached to the Offers are satisfied or not triggered as appropriate, or are waived) but OMX does not become entitled to compulsorily acquire your EBL Securities, you will remain a minority EBL Securityholder.

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5. Important information about the Offers

5.1 Offer consideration

OMX announced a takeover offer on 19 June 2012 for all EBL Securities.

The Share Consideration under the Share Offer is 9 OMX Shares for every 10 EBL Shares held.

The Option Consideration under the Option Offer is 1 OMX Option for every 5 EBL Options held.

5.2 Option terms

Each OMX Option being offered under the Option Offer is subject to the terms set out in Annexure C of the Bidder's Statement.

5.3 Offers are conditional

The Offers are subject to a number of conditions as set out in Annexure A and Annexure B of the Bidder's Statement.

A summary of the conditions are:

- (a) in the case of the Share Offer:
 - (i) **Minimum acceptance:** by the end of the Offer Period, OMX has a relevant interest in 90% of all EBL Shares;
 - (ii) **No Material Adverse Change:** before the end of the Offer Period, no Material Adverse Change occurs, is discovered, announced, disclosed or otherwise becomes known to OMX (whether or not becoming public);
 - (iii) **No Prescribed Occurrences:** before the end of the Offer Period, no Prescribed Occurrence occurs; and
 - (iv) **Escrow arrangements:** before the end of the Offer Period, escrow arrangements being entered into by EBL Shareholders as required by ASX; and
- (b) in the case of the Option Offer:
 - (i) **Minimum acceptance:** by the end of the Offer Period, OMX has a relevant interest in 90% of all EBL Options; and
 - (ii) **Share Offer unconditional:** by the end of the Offer Period, OMX declares the Share Offer unconditional.

5.4 Likelihood of satisfaction of the conditions

As at the date of this Target's Statement, EBL is not aware of any act, omission, event or fact that would result in the breach or non-satisfaction of a condition to the Offers and that has not been waived by OMX. While the EBL Directors have no reason to believe that the conditions to the Offers will not be satisfied, EBL is not in a position to state whether the conditions to the Offers will be satisfied.

5.5 Implications of conditions not being satisfied

Any conditions of the Offers which are not satisfied (or triggered, as appropriate) may be waived by OMX at any time.

If any condition is unsatisfied (or has been triggered) and has not been waived, OMX will have a choice either to proceed with the acquisition of EBL Securities under the Share Offer or Option Offer (as the case may be) or to allow the Share Offer and/or the Option Offer to lapse with unsatisfied conditions.

5.6 Offer Period

The Offers will be open for acceptance from 16 July 2012 until 5.00 pm Sydney time on 20 August 2012, unless extended or withdrawn.

5.7 Extension of the Offer Period

OMX may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period in so far as it relates to the Share Offer if, within the last 7 days of the Offer Period, OMX improves the Share Consideration or OMX's voting power in EBL increases to more than 50%. An improvement in the Option Consideration will similarly result in an extension of the Option Offer.

If either of these events occur, the Offer Period is automatically extended (insofar as it relates to the Share Offer or the Option Offer or both) so that it ends 14 days after the relevant event occurs.

5.8 Withdrawal of the Offers

OMX may not withdraw the Offers if you have already accepted them.

Before you accept the Offers, OMX may withdraw the offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.9 Withdrawal of your acceptance

Once you accept the Offers (even while it remains subject to defeating conditions) you will not be able to sell or otherwise deal with your EBL Securities, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

EBL Securityholders may only withdraw their acceptance of the Offers if:

- (a) the Offer conditions are not satisfied or waived by the end of the relevant Offer Period. In that situation, you will be free to deal with your EBL Securities; or
- (b) OMX varies the relevant Offer in a way that postpones the time when OMX is required to satisfy its obligations by more than one month, for example if OMX extends the relevant Offer Period by more than one month, while the relevant Offer is still conditional. EBL Securities who accept the Offers (even while it is still subject to conditions) will give up their rights to sell or otherwise deal with their EBL Securities, until withdrawal rights are exercised.

5.10 When you will receive payment

If you accept the Offers, and the Offers become unconditional, you will receive the Offer Consideration to which you are entitled not later than 10 working days of the later of the date you accept the Offer and the date the Offers become unconditional.

5.11 Notice of status of conditions

The Bidder's Statement indicates that OMX will give a notice of status of conditions for the Offers (the **Conditions Notice**) to ASIC and EBL on 10 August 2012.

OMX is required to set out in the Conditions Notice:

- (a) whether the Offers are free of any or all of the conditions of the Offers;
- (b) whether, so far as OMX knows, any of the conditions have been fulfilled; and
- (c) OMX's then current voting power in EBL.

If the Offer Period is extended before the time by which that notice is to be given, the date that OMX must give its Conditions Notice will be taken to be postponed for the same period. In the event of such an extension, OMX is required, as soon as reasonably practicable after the extension, to give a notice to ASIC and EBL that states the new date for giving the Conditions Notice.

In addition, if a condition of the Offers is fulfilled during the Offer Period but before the date on which the Conditions Notice is required to be given, OMX must, as soon as practicable, give ASIC and EBL a notice that states that the particular condition has been fulfilled.

5.12 Compulsory acquisition

OMX has stated in section 6.2 of the Bidder's Statement that it intends to compulsorily acquire all outstanding EBL Securities if it is entitled to do so.

The 2 types of compulsory acquisition under Chapter 6A of the Corporations Act are discussed below separately in respect of EBL Shares and EBL Options.

"Follow on" compulsory acquisition (Shares)

Under Part 6A.1 of the Corporations Act, if, at the end of the Offer Period, OMX has (together with its Associates):

- (a) a Relevant Interest in at least 90% (by number) of EBL Shares; and
- (b) acquired at least 75% (by number) of EBL Shares for which it has made the Share Offer,

then OMX will be entitled to compulsorily acquire any outstanding EBL Shares and for which it did not receive acceptances, on the same terms as the Share Offer.

If these thresholds are met, OMX will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to EBL Shareholders who have not accepted the Share Offer. EBL Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant EBL Shareholders to establish to the satisfaction of a court that the terms of the Share Offer do not represent "fair value".

EBL Shareholders should be aware that if they do not accept the Share Offer and their EBL Shares are compulsorily acquired, those EBL Shareholders will face a delay in receiving the Share

Consideration compared with EBL Shareholders who have accepted the Share Offer, however they will be paid the last price offered by OMX for EBL Shares before compulsory acquisition began.

OMX must offer to buy out remaining EBL Shares held by EBL Shareholders if OMX (and its Associates) has a Relevant Interest in at least 90% of EBL Shares (by number) at the end of the Offer Period.

General compulsory acquisition (EBL Shares)

EBL Shareholders should also be aware that if OMX does not become entitled to compulsorily acquire EBL Shares in accordance with Part 6A.1 of the Corporations Act, OMX may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act.

"Follow on" compulsory acquisition (EBL Options)

Under Part 6A.1 of the Corporations Act, if, at the end of the Offer Period, OMX has (together with its Associates):

- (a) a Relevant Interest in at least 90% (by number) of EBL Options; and
- (b) acquired at least 75% (by number) of EBL Options for which it has made the Option Offer,

then OMX will be entitled to compulsorily acquire any outstanding EBL Options and for which it did not receive acceptances, on the same terms as the Option Offer.

If these thresholds are met, OMX will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to EBL Optionholders who have not accepted the Option Offer. EBL Optionholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant EBL Optionholders to establish to the satisfaction of a court that the terms of the Option Offer do not represent "fair value".

EBL Optionholders should be aware that if they do not accept the Option Offer and their EBL Options are compulsorily acquired, those EBL Optionholders will face a delay in receiving the Option Consideration compared with EBL Optionholders who have accepted the Option Offer, however they will be paid the last price offered by OMX for EBL Options before compulsory acquisition began.

OMX must offer to buy out remaining EBL Options held by EBL Optionholders if OMX (and its Associates) has a Relevant Interest in at least 90% of EBL Options (by number) at the end of the Offer Period.

General compulsory acquisition (EBL Options)

EBL Optionholders should also be aware that if OMX does not become entitled to compulsorily acquire EBL Options in accordance with Part 6A.1 of the Corporations Act, OMX may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act.

6. Additional information

6.1 Takeover Bid Implementation Agreement

As announced on 19 June 2012, OMX and EBL entered into a Takeover Bid Implementation Agreement in relation to the Offers. A full copy of the Takeover Bid Implementation Agreement was announced by OMX to the ASX and is available on the ASX website www.asx.com.au (under the code "OMX").

Under the Takeover Bid Implementation Agreement, EBL and OMX agreed to various conditions in respect of the Offers, as well as providing representations, warranties and indemnities.

6.2 Loan commitments

EBL has the following outstanding loans:

- \$350,000 owed to Aero Classic Pty Ltd as trustee for the Aero Classic Superannuation Fund (**Aero**), a company controlled by Raalin Wheeler, an EBL Director; and
- \$100,000 owed to SOBU Energy Pty Ltd (**SOBU**), a company controlled by Tom Fontaine, a director of OMX.

Under the loan agreements, Aero and SOBU (the **Lenders**) have the option to convert part or all of the debt into equity in EBL.

By way of legally binding commitments entered into on 18 June 2012, each of the Lenders entered into an agreement with EBL and OMX relating to the treatment of their respective loans. These commitments contemplated the following material matters:

- (a) The Lenders agreed not to demand repayment of their respective loans before 30 September 2012.
- (b) If, following completion of the Offers, OMX makes a pro rata entitlement offer of OMX Shares (**Entitlement Offer**), each of the Lenders (and their controlled entities that are entitled to participate in the Entitlement Offer) will subscribe for at least that number of OMX Shares which, at the Entitlement Offer subscription price, is equal to the value of the loans outstanding (**Subscription**). Any amount due from the Lenders (and their controlled entities) in respect of the subscription price under the Entitlement Offer will be set off against the principal amounts of the loans outstanding, and the parties will do all things necessary to ensure such set off may occur.
- (c) Upon completion of the Subscription, the Lenders agree to forgive any entitlement to interest on their respective loans.
- (d) To the extent the lenders participation in the Entitlement Offer is not sufficient to settle the outstanding loans, the balance of the loans will remain an outstanding obligation of EBL and the parties will negotiate in good faith with a view to agreeing a conversion of the balance into OMX Shares at a price not more than the subscription price under the Entitlement Offer.

6.3 Litigation

There is no current litigation of a material nature involving EBL or any controlled entity of EBL. The EBL Directors have no knowledge of any potential material litigation.

6.4 Consents

This Target's Statement contains statements made by, or said to be based on statements made by, EBL Directors. Each of EBL's Directors has consented to the inclusion of each statement he or she has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement.

Clayton Utz have consented to being named in this Target's Statement as legal adviser to EBL in the form and context in which they are named and has not withdrawn their consent as at the date of this Target's Statement. Clayton Utz have not authorised or caused EBL to issue this Target's Statement and takes no responsibility for any part of this Target's Statement other than references to their name.

6.5 Effect of the Offers on EBL's material contracts

EBL is not a party to any material contracts which contain a change of control provision that may be triggered in connection with the Offers.

6.6 No other material information

This Target's Statement is required to include all the information that EBL Securityholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Offers, but only to the extent to which it is reasonable for EBL Securityholders and their respective professional advisers to expect to find this information in this Target's Statement, and only if the information is known to any EBL Director.

The EBL Directors are of the opinion that the information that EBL Securityholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Offers is in:

- (a) the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) documents lodged by EBL with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The EBL Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, the EBL Directors and their advisers do not take any responsibility for the contents of the Bidder's Statement, and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the EBL Directors have had regard to:

- the nature of EBL Securities;
- the matters that EBL Securityholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of EBL Securityholders; and
- the time available to EBL to prepare this Target's Statement.

7. Definitions and interpretation

7.1 Definitions

\$	Australian dollars unless otherwise stated
Acceptance Form	an acceptance form enclosed within the Bidder's Statement
Announcement Date	the date on which the Offers were announced, being 19 June 2012
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given in section 12 of the Corporations Act
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it
Bidder's Statement	OMX's bidder's statement dated 16 July 2012
Business Days	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia
CBM	coal bed methane
CGT	Capital Gains Tax
Combined Group	has the meaning given in Section 1.3
Corporations Act	Corporations Act 2001 (Cth) (as modified or varied by ASIC)
CSG	coal seam gas
EBL	Energy Botswana Limited ACN 127 800 891
EBL Director	a director of EBL
EBL Option	an option to subscribe for an EBL Share
EBL Optionholder	a holder of EBL Options
EBL Securities	EBL Shares and EBL Options
EBL Securityholders	a holder of EBL Securities
EBL Share	a fully paid ordinary share in the capital of EBL
EBL Shareholder	a person who is registered in the EBL Share Register as a holder of EBL Shares
km²	square kilometres
Listing Rules	the official listing rules of ASX, as amended from time to time
Offers	the Share Offer and the Option Offer
Offer Consideration	the Share Consideration and/or the Option Consideration

Option Consideration	the consideration to be offered to EBL Optionholders under the Option Offer, being 1 OMX Option for every 5 EBL Options held
OMX	Ormil Energy Limited ACN 107 708 305
OMX Option	an option to subscribe for a OMX Share
Option Consideration	the consideration to be offered to EBL Optionholders under the Option Offer, being 1 OMX Option for every 5 EBL Options held
Option Offer	the offer by OMX to acquire EBL Options on the terms contained in the Bidder's Statement
Offer Period	the period from 16 July 2012 until 5.00 pm Sydney time on 20 August 2012, unless the Offers are extended
OMX Securities	OMX Shares and OMX Options
OMX Securityholders	a holder of OMX Securities
OMX Share	a fully paid ordinary share in the capital of OMX
Relevant Interest	has the meaning given in section 9 of the Corporations Act
Section	a section of this Target's Statement
Share Consideration	the consideration to be offered to EBL Shareholders under the Share Offer, being 9 OMX Shares for every 10 EBL Shares held
Share Offer	the offer by OMX to acquire EBL Shares on the terms contained in the Bidder's Statement
Subsidiary	has the meaning given in the Corporations Act
Target's Statement	this document, being EBL's target statement
Tcf	trillion cubic feet
VWAP	volume weighted average price
WST	Australian Western Standard Time

7.2 Interpretation

In this Target's Statement, unless the context requires otherwise:

- (a) all words and phrases in this Target's Statement have the meaning given to them, if any, in the Corporations Act;
- (b) the singular includes the plural and vice versa;
- (c) a gender includes all genders;
- (d) a reference to a person includes a corporation, other body corporate, unincorporated body, partnership, joint venture or association and vice versa;

- (e) headings are for ease of interpretation and do not affect meaning or interpretation;
- (f) where a term is defined, its other grammatical forms have a corresponding meaning;
and
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

8. Approval of Target's Statement

This Target's Statement is dated 16 July 2012 (being the date on which this Target's Statement was lodged with ASIC) and has been approved by a resolution of the EBL Directors.

Signed for and on behalf of **Energy Botswana Limited**:



Raalin Wheeler
Chairman

For personal use only

Corporate Directory

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Raalin Wheeler
Trent Wheeler
Jodie Wheeler

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* For informational purposes only. Entity has not been involved in the preparation of this Target's Statement.