



OIL BASINS LIMITED

ABN 56 006 024 764

6 November 2015

ASX Markets Announcements
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sirs

NEW INSTITUTIONAL FUNDING AGREEMENT UP TO \$1.2 MILLION

The Directors of Oil Basins Limited (**OBL**, ASX code **OBL** or the **Company**) wish to make the following ASX announcement.

OBL is pleased to advise that it has entered into a funding agreement with The Australian Special Opportunity Fund LP, a New York-based institutional investor managed by The Lind Partners, LLC (collectively **Lind**) for a total funding commitment of up to AU\$1.2 million by way of a zero coupon Senior Unsecured Convertible Security (the "**Convertible Security**").

Under the agreement with Lind, executed effective 5 November 2015, OBL will receive a net AU\$380,000 in funds after fees on the AU\$400,000 advanced as the first tranche Convertible Security with the face value of the convertible being \$460,000.

The agreement has a term of up to 2 years, and the first tranche is made up of:

- a) a zero coupon convertible security in the face amount of AU\$460,000, and
- b) the Convertible Security will not be convertible until 3 February 2016 ("**Lock-Up**").
- c) After the Lock-Up, Investor will have the option to convert any outstanding Face Value amounts into ordinary shares at a price per share equal to the lower of (i) 130% of the average of the three daily VWAPs, chosen by Investor, during the 20 trading days before the date of execution of the Agreement or (ii) 90% of the average of the three consecutive daily VWAPs, chosen by the Investor, during the 20 trading days before the date of conversion ("**Conversion Price**").

Funds will provide working capital and can be utilised for development of the Company's projects and exploration permits in both onshore and offshore Australia.

Should loan conversion of 75% of the Face Value of the initial Convertible Security occur, subject to mutual agreement between the OBL and Lind a second tranche of between AU\$400,000 up to AU\$800,000 (second tranche Convertible Security) on similar terms may be offered.

In addition, as part of the Agreement, Lind will receive:

- (a) 67,000,000 new OBL unlisted options at the time of funding. Options will be exercisable for 36 months with an exercise price equal to 130% of the average of the daily VWAPs during the 20 trading days before the date of execution of the Agreement.
- (b) 25,000,000 new OBL Collateral ordinary shares, which will be credited, or returned, to OBL upon conversion, in full, of all outstanding Face Value amounts

If the OBL elects to receive the second tranche Convertible Security, Lind will receive options equal to 50% coverage at the time of funding. Options will be exercisable for 36 months with an exercise price equal to 130% of the average of the daily VWAPs during the 20 trading days before the date of funding of the Second Convertible Security.

The Agreement contains provisions requiring approval of shareholders if required under Listing Rule 7.1. Shareholder approval was not required for the initial funding to proceed.

Specific agreed terms

Amongst other normal conditions of a transaction of this type under the executed agreement specifically:

1. Lind is entitled to require a share consolidation once the Lock-Up Period has expired.
2. Commitment fee of AU\$20,000 to be paid by an offset of the first tranche advance.
3. Lind is restricted from trading of any kind in OBL shares during the Lock-Up Period (unless with Company's consent)
4. Pricing to be determined based on 3 consecutive days during a specified period prior to conversion.
5. Company uses best endeavors to obtain an ASX waiver to be entitled to issue all Conversion Shares under LR 7.1 beyond the 3 month time limit at the pricing in the agreement, then this will not be an event of default, provided the Company maintains at all times sufficient placement capacity to issue the shares as and when required.

Maximum flexibility

The terms of the Agreement expressly allow OBL to carry out additional private placements of equity, rights issues and shareholder purchase plans.

In addition, the Agreement does not restrict the Company from entering into strategic alliance partnerships including Cornerstone Placements or farmout of its exploration portfolio or to divest subsidiaries and undertake any part of the Company's normal business activities.

OBL has the right to terminate the Agreement at any time during the Lock-up period by making a cash payment equal to the face value of the convertible security.

The Company is pleased that Lind has continued to support the Company's strategic exploration and development endeavours in both the Canning and Gippsland Basins.

Yours faithfully



Neil Doyle SPE
Director & CEO

About Oil Basins Limited

Oil Basins Limited (**OBL**) is an established operator in exploration and development oil and gas opportunities in both the east and west coast of Australia. Its upstream interests include:

- Offshore Carnarvon Basin (100% & Operator + 2% ORRI) undeveloped Cyrano Oilfield (2P 3MMbbls);
- Canning Basin (100% & Operator) Backreef Area Deep Tight Oil / Deep USO;
- Canning Basin (50% & Operator + 2% ORRI pending) EP 487 Derby Block USG Dongas & Export LNG potential via SAA with LNG Limited;
- Offshore Gippsland Basin (100% & Operator + 2% ORRI) Vic/P47 (two undeveloped gas fields – Judith and Moby Location) and OBL Group 35.395% non-operator Vic/P41

The company's business plan aims towards bringing a high level of commercial and technical experience to oil and gas exploration, investment and development in Australia and internationally. Oil Basins is headquartered in Melbourne, Australia and was quoted on the ASX in August 2006 and became an operator during 2010.

About Lind Partners

The Lind Partners LLC is a New York-based alternative asset management company and manager of the Australia Special Opportunity Fund, LP. Lind selectively invests across a broad range of industries and economic environments with a focus on companies with market capitalisations ranging between AU\$25 million and AU\$1 billion having definable milestones and key inflection points that have the potential to create considerable shareholder value.

More information on The Lind Partners can be found at www.thelindpartners.com