



# Pure Hydrogen Corporation Limited

## ACN 160 885 343 (Company)

### Prospectus

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For the issue of up to 2,500,000 Options exercisable at \$0.36 each, expiring on 26 September 2021 (**A Options**) on the basis of one A Option issued for every three Real Energy Tranche A Options transferred to the Company (**A Option Offer**).

AND

For the issue of up to 10,408,334 Options exercisable at \$0.12 each, expiring on 30 September 2022 (**B Options**) on the basis of one B Option issued for every three Real Energy Tranche B Options transferred to the Company (**B Option Offer**).

AND

For the issue of up to 500,000 Options exercisable at \$0.42 each, expiring on 31 March 2023 (**C Options**) on the basis of one C Option issued for every three Real Energy Tranche C Options transferred to the Company (**C Option Offer**, together with the A Offer and B Offer, the **Offers**).

The Offers are based on the Scheme of Arrangement with Real Energy which has been implemented. Refer to section 5.2 for further details.

This Prospectus has been prepared primarily for the purposes of enabling the A, B and C Options to be issued to all Real Energy Optionholders and to allow the A, B and C Options to be sold without disclosure and to ensure that the Shares that are issued on exercise of the A, B and C Options may be sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

#### **Important Notice**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Options offered by this Prospectus should be considered as speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the United States of America or to U.S. persons.

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## 1. Offer Statistics

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<b>A OPTION OFFER</b>	
Issue Price	Nil
Exercise Price	\$0.36
Expiry Date of A Options <sup>1</sup>	26 September 2021
Maximum number of A Options to be issued	2,500,000
Number of A Options on issue prior to Offer	0
Expected total A Options on issue following the Offer <sup>2</sup>	2,500,000
<b>B OPTION OFFER</b>	
Issue Price	Nil
Exercise Price	\$0.12
Expiry Date of C Options <sup>1</sup>	30 September 2022
Maximum number of C Options to be issued	10,408,334
Number of C Options on issue prior to Offer	0
Expected total Options on issue following the Offer <sup>2</sup>	10,408,334
<b>C OPTION OFFER</b>	
Issue Price	Nil
Exercise Price	\$0.42
Expiry Date of C Options <sup>1</sup>	31 March 2023
Maximum number of C Options to be issued	500,000
Number of C Options on issue prior to Offer	0
Expected total Options on issue following the Offer <sup>2</sup>	500,000
<b>TOTAL</b>	
Number of Options on issue prior to Offer	<b>5,439,000</b>
Expected total Options on issue following the Offer <sup>2</sup>	<b>18,847,334</b>

1. Being the same date as the equivalent Real Energy Tranche A, B, and C Options (respectively).
2. This assumes that all A, B and C Options are issued.

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## 2. Key Dates

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Event	Date
Prospectus Lodged with ASIC	12 July 2021
Prospectus Lodged with ASX	29 July 2021
Offers Open Date	9 August 2021
Commencement of Issue of Options	9 August 2021
Offers Closing Date	6 September 2021
Final Date of Issue of Options	15 September 2021

Note: These dates are indicative only and may change without prior notice. The Directors may vary the period of the Offers (or any of them) at their discretion. Investors are encouraged to submit their Option Transfer and Application Form as soon as possible after the Offers open. The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to: (a) withdraw the Offers without prior notice; or (b) vary any of the important dates set out in this Prospectus, including extending the Offers.

## 3. Important information

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### 3.1 General

This Prospectus is dated 12 July 2021 and was lodged with the ASIC on that date. Neither the ASIC nor the ASX (nor their officers) take any responsibility as to the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus contains offers of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

None of the Offers are available to the general public.

The Offers are only available to Real Energy Optionholders and Real Energy Optionholders are invited by the Company to accept the relevant Offer. Applications for A, B or C Options offered pursuant to this Prospectus can only be submitted on an executed Transfer and Application Form.

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 investors read this Prospectus in its entirety and seek professional advice where necessary. The A, B and C Options the subject of this Prospectus should be considered speculative.

### 3.2 Foreign Shareholders and Investors

This Prospectus does not constitute an offer of the Options in any place in which, or to any person to whom, it would not be lawful to make such an offer. The Company has not made any investigations as to the regulatory requirements that may prevail in countries, outside of Australia, in which Real Energy Optionholders may reside. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into

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possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Offers have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States, and the Options the subject of the Offers may not be offered or sold in the United States or to or for the account or benefit of any US Persons, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

### 3.3 Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### 3.4 Risk factors

Investors should be aware that holding securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Company's Shares (and Options) in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the offer and issue of Options pursuant to this Prospectus.

Section 8.1 outlines specific risks associated with holding Options. Section 8.2 outlines some of the key risks specific to an investment in the Company and section 8.3 outlines more general risks that may impact the Company.

The following is a summary some of the key risks as set out in section 8:

Risk	Summary	Further information
Increased Competition	There is a risk that the Company experiences increased competition from existing or new competitors, which may reduce its growth, market share and/or margins.	8.2(a)
Legislation and Government Regulations	The Company may be affected by changes in legislation, taxes and governmental or regulatory policies. Changes to or repeal of policy, legislation and regulations may have a substantial impact on the Company's outlook and/or financial position or performance and may also create uncertainty concerning the Company, which in turn may adversely affect the Share price.	8.2(b)
Exploration, Extraction and Development Risks	The future value of the Company is largely dependent on its ability to find, extract and develop oil and gas resources that are economically recoverable. Oil and gas exploration and development is inherently highly speculative and involves a significant degree of risk. There is no assurance that planned exploration extraction activities will be successful and, even if oil and gas resources are identified, there is no	8.2(c)

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	guarantee that their production will be economic or that there will be a commercial opportunities available to monetise that resource.	
Resource Estimates	Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend on interpretations of data which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. A change in resource estimates applying to the Company may result in a re-evaluation of the commercial potential of the resource which could materially adversely affect the financial position and performance of the Company. Changes to resource estimates could also lead to alterations to exploration and mining plans which may increase the Company's costs.	8.2(d)
Licensing and Counter-Party Risks	<p>The Company may need to obtain further interests in tenements which grant the right to conduct exploration and development on the tenement areas. The Company may require additional permits should it seek to conduct development and production activities. The Company's rights to explore and later develop tenement areas may also depend on the completion of various sale and purchase and farm-in agreements and on the grant of Permits which may not be granted, may be granted subject to conditions and limitations or, where granted, may be cancelled or withdrawn.</p> <p>There is no guarantee that any application for the granting of an appropriate permit will be granted or that the Company will be able to comply with the conditions imposed on such licences economically. The Company may have to relinquish a tenement or have a tenement cancelled for non-compliance with licence conditions.</p> <p>Delay in the award or transfer of a licence, or the relinquishment or cancellation of a licensed area may materially adversely affect the ability of the Company to conduct exploration activities in accordance with its present plans.</p>	8.2(e)
Condition of Licences	Tenements and licences will be granted subject to standard and specific conditions, including minimum expenditure commitments. In addition, conditions can be varied in certain circumstances beyond the control of the Directors of the Company. Conditions may be imposed which render the Company's exploration development and production activities uneconomic and failure to comply with a condition (for example where insufficient funds are available to meet minimum expenditure commitments) could lead to the cancellation or refusal to renew a tenement or licence, and this may materially adversely affect the Company's financial position and performance.	8.2(f)
Operational Risks	Oil and gas exploration, extraction and development activities include numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, adverse weather	8.2(g)

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	<p>conditions or environmental events, human errors and other unexpected events which occur in the process of drilling and exploration.</p> <p>Production may also be impacted by various operating conditions including insufficient storage or transportation capacity, or other geological and mechanical conditions which increase the cost of developing and transporting the resource. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.</p> <p>The occurrence of operating risks leading to the curtailment, delay or cancellation of the Combined's operations may result in the Company incurring significant financial costs. This may materially adversely affect the financial position and performance of the Company.</p> <p>Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with senior management) endeavour to anticipate, identify and manage the operational risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors to do so may be affected by matters outside their control and no assurance can be given that the Directors of the Company will be successful in these endeavours.</p>	
Income Tax	<p>The Company is confident that it has accounted correctly for any income tax liability in its financial statements. Subject to Real Energy's current appeal to AAT in regards to the adverse finding received in respect of the R &amp; D tax incentive matter, it is possible that Real Energy is unsuccessful in its case in the AAT and therefore is liable to repay the R &amp; D tax incentive payments to the Australian Taxation Office which would have an adverse effect on the Company.</p> <p>Real Energy has a dispute with Innovation and Science Australia in respect of its R&amp;D Tax Incentive claims for the financials years from 2014 to 2019. Real Energy has not recognised any asset or liability in respect of any R&amp;D Tax Incentive claims, in its financials. The directors of Real Energy are confident that Real Energy will be able to successfully resolve this dispute over time.</p> <p>Real Energy has appealed the findings to the Administrative Appeals Tribunal (AAT) and seeks a determination for the more recent financial years.</p> <p>Real Energy has been paid about \$7.2 million for the R&amp;D Tax Incentive claims for the 2014, 2015 and 2016 financial years and has potential unpaid R&amp;D Tax Incentive claims of about \$6.5 million in respect of years ended 30 June 2017, 2018 and 2019.</p>	8.2(h)
Procurement risks	<p>1. Drilling Rigs and Equipment:</p> <p>The Company's oil and gas exploration and development activities depend on the availability of drilling rigs, related equipment and experienced operators in the area of the exploration licences. The Company cannot guarantee access to experienced crews, drill rigs and operators and this</p>	8.2(i)

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	<p>may cause delays in Company's exploration, extraction and development programs which may result in increased costs.</p> <p>2. Skilled Labour</p> <p>The Company will require skilled labour workers and engineers in order to operate its activities. Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may materially adversely affect the financial position and performance of the Company.</p> <p>3. Key Personnel</p> <p>The Company's success depends to a significant extent upon its key personnel. The Company's progress in pursuing its exploration and evaluation programs within the time frames and within the cost structure currently envisaged could be adversely influenced by the loss of existing key personnel. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The impact of a loss of key staff would depend on the quality and timing of the employee's replacement. Accordingly, the loss of key personnel could materially adversely affect the Company's exploration activities and the financial performance of the Company.</p>	
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## 3.5 Terms of Securities

A summary of the rights attaching to the A, B and C Options offered by this Prospectus as well as the Shares that will be issued on exercise of those Options are set out in section 7.1 and 7.2 respectively. Details of the Offers are set out in section 5 below.

## 3.6 Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the A, B or C Options (following any conversion into Shares). The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

This Prospectus is an important document and you should read it in full before deciding whether to apply for Options pursuant to the Offers. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: [www.purehydrogen.com.au](http://www.purehydrogen.com.au). You should also have regard to previous publicly available information about Real Energy and Pure Hydrogen Corporation including ASX announcements, which can be found at Real Energy and Pure Hydrogen Corporation's website: [www.realenergy.com.au](http://www.realenergy.com.au) and [www.strata-x.com](http://www.strata-x.com) or through the ASX website: [www.asx.com.au](http://www.asx.com.au).

## 3.7 Glossary

Certain terms used in this Prospectus are defined in the Glossary in Section 11 of this Prospectus. Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

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## 3.8 Forward Looking Statements

The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company’s current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to the “Risks Section” in Section 8 of this Prospectus. That section refers to some, but not all, of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Investors should be aware that past Share price performance of the Company provides no guidance to its future Share price performance. Neither the Company nor any other person warrants or guarantee the future performance of the A, B or C Options offered under this Prospectus or the Shares or any return on any investment made pursuant to this Prospectus.

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## 4. Company Information

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### 4.1 Company Overview

Real Energy is now a wholly-owned subsidiary of Pure Hydrogen Corporation Limited.

### 4.2 Directors and Officer

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, without undue constraints from other commitments.

The following persons are directors and officer of the Company as at the date of this Prospectus:

<b>Ron Prefontaine – Non-Executive Chairman</b>	Ron Prefontaine has over 40 years of experience in the oil and gas industry and serves the Company as an Chairman of the Pure Energy Board of Directors. Between 2001 and 2011 he was an Executive and Managing Director of two successful Australian Securities Exchange listed companies, Arrow Energy and Bow Energy. Arrow Energy was taken over in 2010 for \$3.5 billion and Bow Energy in late 2011 for \$550 million. Ron received his BSc in Geophysics from the University of British Columbia in 1979. His strengths are asset growth recognition and the management of corporate growth. In 2009 Ron received a lifetime achievement award in recognition to his services to the Australian petroleum industry.
<b>Scott Brown – Managing Director</b>	<p>Scott was the co-founder and Managing Director of Real Energy with an extensive background in finance and management of public companies. Scott is currently a non-executive director of Trisil Group Limited.</p> <p>Scott was previously Chief Financial Officer of Mosaic Oil NL (ASX: MOS), a listed oil and gas exploration and production company with interest in Queensland, New Zealand and offshore WA. During his time at Mosaic, Scott was involved in the acquisition of production properties and the growth of its business and profitability with the companies and was instrumental in putting together a Scheme of Arrangement with AGL Energy Ltd to acquire Mosaic for consideration of \$142 million.</p> <p>Scott was also formerly the Chief Financial Officer, Company Secretary and Chairman or /director with a number of public companies including Objective Corporation Limited, Turnbull &amp; Partners Limited, Allegiance Mining NL, FTR Holdings Limited, Garratt's Limited. Scott also worked at accounting firms, Ernst Young and KPMG.</p>

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<p><b>Dang Lan Nguyen – Non Executive Director</b></p>	<p>Lan is a professional petroleum geologist and engineer with over 25 years' experience in petroleum exploration, development and production in Australia and internationally including 15 years at Mosaic Oil NL, transforming Mosaic to a successful company as Managing Director with growing production revenues, petroleum reserves/resources and profitability. Lan is credited with the discovery and development of many oil and gas fields in the Surat-Bowen Basins through his innovative introduction of various exploration, drilling and completion technologies to Australia.</p> <p>Lan was the co-founder and Non-executive Director of Real Energy and is currently a principal/director of Tanvinh Resources Pty Limited and Latradanick Holdings Pty Limited, which provide services to energy and resources companies in Australia and Asia-Pacific region.</p>
<p><b>Ron Hollands – Company Secretary</b></p>	<p>Ron is currently also the Company Secretary of Ashley Services Group Limited (ASX: ASH) and Credit Clear Limited (ASX: CCR). He is a Chartered Accountant with over 25 years' experience in accounting, corporate finance and company secretarial matters. His career includes working in professional accounting firms and acting as CFO and /or Company secretary for a number of companies in a range of industries. He also holds a Certificate of Public Practice and is a registered tax agent.</p>

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## 5. Details of the Offers and the Prospectus

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### 5.1 Background

As announced on 15 July 2020, the Company entered into a binding Scheme Implementation Agreement with Real Energy to pursue a nil premium merger whereby Real Energy Shareholders received one (1) new Share in the Company for every three (3) Real Energy Shares that they own.

Under the terms of the Scheme of Arrangement the Company acquired all shares in Real Energy on issue in exchange for the issue of Shares to Real Energy shareholders. Real Energy also has a total of 40,225,000 Real Energy Options on issue on the Implementation Date with various exercise prices and expiry dates. As the Scheme of Arrangement did not extend to the Real Energy Options, the Company is undertaking the Offers in order to facilitate the transfer of the Real Energy Options to the Company and for the Company to issue equivalent Options to Real Energy Optionholders. The new Options in the Company will be issued to Real Energy Optionholders on the basis of one (1) new Option in the Company for every three (3) Real Energy Options held and with a consequential threefold increase to the current exercise price, as follows:

<b>Class of Real Energy Options</b>	<b>Current number on issue</b>	<b>Options in the Company to be issued</b>	<b>Current exercise price</b>	<b>New Option exercise price</b>	<b>Current expiry date</b>	<b>New expiry date</b>
<b>Tranche A Options</b>	7,500,000	2,500,000	\$0.12	\$0.36	26/09/2021	26/09/2021
<b>Tranche B Options</b>	31,225,000	10,408,334	\$0.04	\$0.12	30/09/2022	30/09/2022
<b>Tranche C Options</b>	1,500,000	500,000	\$0.14	\$0.42	31/03/2023	31/03/2023

The Offers involve the issue of up to 13,408,334 new Options (across the A Options, B Options and C Options) to the current holders of the Real Energy Options. The Options will form three new classes of Options, the details of which are set out in section 1 and otherwise on the terms set out in section 7. It is intended that the Options will not be listed, however the Company will apply for any resulting Shares issued on exercise of the Options to be listed.

### **Purpose of the Prospectus**

This Prospectus has been prepared primarily for the purposes of enabling:

- (a) the Company to acquire the Real Energy Options; and
- (b) the Options to be issued to all Real Energy Optionholders, to allow the Options to be sold without disclosure and to ensure that the Shares that are issued on exercise of the Options may be sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80).

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

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No funds will be raised through the issue of the Options pursuant to this Prospectus (as the consideration for the grant of the Options is the transfer of the relevant Real Energy Shares), however if all the Options are exercised, the Company will receive \$2,359,000. Any funds raised upon the exercise of any of the Options will be allocated to the Company's working and investment capital.

## 5.2 The Offers

The following Offers are being made pursuant to this Prospectus:

### A Option Offer

An offer of up to 2,500,000 A Options to the Real Energy A Optionholder, on the basis of one (1) A Option for every three (3) Real Energy Tranche A Options held by the relevant Real Energy A Optionholder, to be issued in consideration for the transfer of the relevant Real Energy Tranche A Options to the Company. There is no cash consideration payable for the issue of the A Options.

### B Option Offer

An offer of up to 10,408,334 B Options to the Real Energy B Optionholders, on the basis of one (1) B Option for every three (3) Real Energy Tranche B Options held by the relevant Real Energy B Optionholder, to be issued in consideration for the transfer of the relevant Real Energy Tranche B Options to the Company. There is no cash consideration payable for the issue of the B Options.

### C Option Offer

An offer of up to 500,000 C Options to the Real Energy C Optionholder, on the basis of one (1) C Option for every three (3) Real Energy Tranche C Options held by the relevant Real Energy C Optionholder, to be issued in consideration for the transfer of the relevant Real Energy Tranche C Options to the Company. There is no cash consideration payable for the issue of the C Options.

The Options will be issued on the terms and conditions set out in section 1 and 7.1 of this Prospectus.

The Offers are non-renounceable.

## 5.3 How to Apply

Real Energy Optionholders invited to participate in the Offers should lodge their Transfer and Application Form by the Closing Date for the Option Offer, **5.00pm (EST) on 6 September 2021**. Real Energy Optionholders are encouraged to lodge their Transfer and Application Form as soon as possible to facilitate the issue of the new Options in the Company promptly after the implementation of the Scheme of Arrangement. If a holder of Real Energy Options does not lodge their Transfer and Application Form by the Closing Date for the Option Offer, **5.00pm (EST) on 6 September 2021**, they will not be issued new Options in the Company and will retain their Real Energy Options. Real Energy is no longer listed on the ASX.

Completed Transfer and Application Form Options must be mailed or delivered to the Company at the below address:

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**Mailing Address:**

Pure Hydrogen Corporation Limited  
Level 3, 32 Walker Street  
North Sydney NSW 2060

Or

**Email Address:**

[Investor@purehydrogen.com.au](mailto:Investor@purehydrogen.com.au)

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close any Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Transfer and Application Form as soon as possible after the Opening Date to facilitate the issue of the new Options in the Company promptly.

## 5.4 Issue

Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and the timetable set out in Section 2 of this Prospectus and in any event, as soon as practicable after their issue.

## 5.5 No exposure period

No exposure period applies to the Options offered under this Prospectus due to the relief granted by ASIC Corporations (Exposure Period) Instrument 2016/74.

## 5.6 Minimum subscription

There is no minimum subscription under the Offers.

## 5.7 ASX listing

The Company will not apply for official quotation of the Options offered under this Prospectus as the Options will not be quoted on ASX.

## 5.8 No underwriting

The Offers are not underwritten.

## 5.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing share or option certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder

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Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 5.10 Enquiries

If you are an eligible applicant for any of the Offers and have any questions in relation to the Offers, please contact your stockbroker or professional adviser. If you have questions in relation to how to complete the Option Transfer and Application Form, please contact the Company Secretary on +61 (0) 419 239 695.

# Prospectus

## 6. Purpose and effect of the Offers

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### 6.1 Purpose of the Offers

The purpose of the Offers is to facilitate the Company cancelling all outstanding Real Energy Options in exchange for the issue of new Options in the Company to Real Energy Optionholders now that the Scheme of Arrangement has been completed and Real Energy is delisted on the ASX.

The issue of the Options will also provide the Company with a potential source of additional capital if the Options are exercised. No funds will be raised through the issue of the Options pursuant to this Prospectus, however if all the Options are exercised, the Company will receive \$2,359,000. Any funds raised upon the exercise of any of the Options will be allocated to the Company's working and investment capital.

### 6.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to introduce three (3) new classes of unlisted securities, being up to 13,408,334 new Options in total.

### 6.3 Effect on Balance Sheet

The Options to be issued pursuant to this Prospectus will be issued for nil cash consideration. Accordingly, there will be no immediate effect on the Company's balance sheet from the Offers, other than a decrease in cash reserves of approximately \$15,000 (excl. GST) being the estimated costs of the Offers as set out in section 9.14.

Capital will be raised if the Options are exercised, being an amount of:

- (a) \$0.36 per A Option exercised;
- (b) \$0.12 per B Option exercised; and
- (c) \$0.42 per C Option exercised.

This will affect the Company's balance sheet, however the Company is not able to specify with any certainty the extent of that change given the uncertainty around whether the Options will be exercised (which is dependent on the market price of Shares from time to time until the Options expire).

The Company's Annual Report for the financial year ended 30 June 2020 was released to ASX on 25 September 2020 and the Half Year Account was released to ASX on 29 January 2021. The Annual Report and Half Year Report can be viewed at <http://www.strata-x.com> and at [www.asx.com.au](http://www.asx.com.au).

Additional information regarding Real Energy, including copies of ASX releases and investor presentations, is also available on Real Energy's website: [www.realenergy.com.au](http://www.realenergy.com.au).

This section sets out the historical and pro-forma financial information of the Company. The basis for the preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards. The historical and

# Prospectus

pro-forma financial information comprises financial information of the Company. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosure and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The information in sections 6.3 to 6.6 has been provided for investors to gain an indication of the effect of the Offers on the Company. It does not necessarily illustrate the future financial performance of the Company because past performance is not a guide to future performance.

## 6.4 Historical Financial Information

The historical financial information for the Company set out below comprises:

- (d) the audited Statement of Financial Position as at 30 June 2020; and
- (e) selected notes to the reviewed Statement of Financial Position.

The historical financial information has been extracted from the Reviewed Company's Financial Statements for the period ended 30 June 2020.

## 6.5 Pro-forma Financial Information

The pro-forma financial information for the Company set out below:

- (f) the unaudited Pro-Forma Statement of Financial Position as at 30 June 2020 based on completion of the Offers; and
- (g) selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the audited Statement of Financial Position as at 30 June 2020 adjusted for the following transactions as if they had occurred at 30 June 2020 (pro-forma transactions):

- issue of the A Options, B Options and C Options;
- issue costs in respect of the Offers.

In addition there is an extra column where the pro-forma financial information for the Company set out below:

- (h) the unaudited Pro-Forma Statement of Financial Position as at 30 June 2020 based on completion of the Offers and assuming exercise of all Options offered under the Prospectus; and
- (i) selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the Statement of Financial Position as at 30 June 2020 adjusted for the following transactions as if they had occurred at 30 June 2020 (pro-forma transactions):

- issue of the A Options, B Options and C Options;
- exercise of all A Options, B Options and C Options; and
- issue costs in respect of the Offers.

# Prospectus

## 6.6 Historical and Pro-forma Consolidated Statements of Financial Position

Notes	Real Energy	Strata-X Energy	Pro forma	Pro forma combined	Proforma with	
	Consolidated	Consolidated	acquisition		Options being	
	Jun-20	Jun-20	adjustments		exercised	
	A\$	A\$	A\$	A\$	A\$	
<b>Assets</b>						
<b>Current Assets</b>						
	1	1,616,492	555,063	2,050,000	4,221,555	6,564,055
		0	299,423		299,423	299,423
		7,402	0		7,402	7,402
		73,786	559		74,345	74,345
		42,352	0		42,352	42,352
		<b>1,740,032</b>	<b>855,045</b>	<b>2,050,000</b>	<b>4,645,077</b>	<b>6,987,577</b>
<b>Non Current Assets</b>						
		1,241	1,222		2,463	2,463
		30,503,914	1,500,662		32,004,576	32,004,576
		108,622	0		108,622	108,622
		0	167,097		167,097	167,097
		<b>30,613,777</b>	<b>1,668,981</b>	<b>0</b>	<b>32,282,758</b>	<b>32,282,758</b>
		<b>32,353,809</b>	<b>2,524,026</b>	<b>2,050,000</b>	<b>36,927,835</b>	<b>39,270,335</b>
<b>Current Liabilities</b>						
		310,782	173,235		484,017	469,016
		500,000	0		500,000	500,000
		116,506	0		116,506	116,506
		25,174	0		25,174	25,174
		0	0		0	0
		0	63,522		63,522	63,522
		<b>952,462</b>	<b>236,757</b>	<b>0</b>	<b>1,189,219</b>	<b>1,174,218</b>
<b>Non Current Liabilities</b>						
		56,356	0		56,356	56,356
		400,000	0		400,000	400,000
		83,448	0		83,448	83,448
		8,998	0		8,998	8,998
		0	91,335		91,335	92,835
		0	74,460		74,460	74,460
		0	828,527		828,527	828,527
		<b>548,802</b>	<b>994,322</b>	<b>0</b>	<b>1,543,124</b>	<b>1,544,624</b>
		<b>1,501,263</b>	<b>1,231,079</b>	<b>0</b>	<b>2,732,342</b>	<b>2,718,841</b>
		<b>30,852,545</b>	<b>1,292,947</b>	<b>2,050,000</b>	<b>34,195,492</b>	<b>36,551,493</b>
<b>Equity</b>						
	2	36,842,624	52,744,083	(55,401,644)	34,185,063	36,791,064
		0	2,322,307	(2,322,307)	0	0
		0	2,079,188	(2,079,188)	0	0
		0	30,059,773	(30,059,773)	0	0
	3	(5,990,079)	(85,912,405)	91,662,912	(239,572)	(239,572)
		<b>30,852,545</b>	<b>1,292,947</b>	<b>1,800,000</b>	<b>33,945,492</b>	<b>36,551,493</b>

### Notes:

1. Subsequent amendment to the Scheme Implementation Agreement dated 15 July 2020, Real Energy can raised further equity up to A\$1,450,000 and Strata-X Energy can raise further equity up to A\$700,000 without approval and includes broker fees of \$100,000
2. Represents the elimination of Real Energy's issued net capital balance of A\$36,842,624 and approved equity raise by both entities prior to Merge
3. Represents the elimination of Real Energy's pre-acquisition accumulated losses of A\$5,990,078

## 6.7 Effect on capital structure post Offers assuming no Options are exercised

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued but not exercised, is set out below:

# Prospectus

## Options

	Number	% interest in Options
Options currently on issue	5,439,000	29%
Maximum number of A, B and C Options	13,408,334	71%
<b>Total Options on issue after completion of the above<sup>1</sup></b>	<b>18,847,334</b>	<b>100%</b>

<sup>1</sup> This assumes that all of the Options offered are issued and none of the Options are exercised.

There is no effect of the issued share capital of the Company where all Options offered under the Prospectus are issued but not exercised.

### 6.8 Effect on capital structure post Offers assuming all Options are exercised

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued and exercised, is set out below:

	Number <sup>2</sup>
Shares currently on issue	271,945,750
Placement on 26 March 2021	32,257,946
<b>Sub Total</b>	<b>304,203,696</b>
Shares issued on exercise of A Options	2,500,000
Shares issued on exercise of B Options	10,408,334
Shares issued on exercise of C Options	500,000
<b>Total Shares on issue after completion of the above<sup>1</sup></b>	<b>317,612,030</b>

<sup>1</sup> This assumes that all are A Options, B Options and C Option are issued and exercised and other than the Shares issued on implementation of the Scheme of Arrangement, no other Shares/CDIs are issued.

### 6.9 Effect on control

The issue of the Options themselves will have no effect on the control of the Company. The substantial Shareholders of the Company are listed below in Section 6.10.

Of these substantial Shareholders, the following are holders of Real Energy Options and may apply for Options under this Prospectus:

Refer to section 6.10 below for further details in this regard.

### 6.10 Details of substantial holders

At the date of this Prospectus, the Company is of the view that there is no single entity that controls the Company and there is one substantial shareholder being Ron Prefontaine who has 16,011,951 Shares.

The top 20 Shareholders of the Company as at 23 March 2021 are as follows:

# Prospectus

Rank	Name	A/C designation	CDIs	%IC
1	MR SCOTT BROWN		9,336,947	3.43
2	BNP PARIBAS NOMINEES PTY LTD	<IB AU NOMS RETAILCLIENT DRP>	8,325,969	3.06
3	MR RONALD PREFONTAINE & MRS ANNABEL FRANCES PREFONTAINE	<PREFONTAINE SUPER FUND A/C>	7,752,564	2.85
4	SIXTH ERRA PTY LTD	<THE I COLLIE FAMILY A/C>	7,508,333	2.76
5	CITICORP NOMINEES PTY LIMITED		6,638,697	2.44
6	MR DANG LAN NGUYEN		5,966,667	2.19
7	MR RONALD PREFONTAINE & MRS ANNABEL FRANCES PREFONTAINE	PREFONTAINE SUPER FUND	4,944,211	1.82
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		4,784,084	1.76
9	KABILA INVESTMENTS PTY LIMITED		4,550,001	1.67
10	SIXTH ERRA PTY LTD	<STAFF SUPER FUND A/C>	4,550,000	1.67
11	BERENES NOMINEES PTY LTD	<BERENES SUPER FUND A/C>	4,466,000	1.64
12	SINO PORTFOLIO INTERNATIONAL LTD		4,440,000	1.63
13	MIKE COLLINS SUPER PTY LTD	<APPLETREE SUPER FUND A/C>	4,136,186	1.52
14	CLAYMORE CAPITAL PTY LTD	<NOMINEE TRADING A/C>	3,575,071	1.31
15	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		3,401,739	1.25
16	SCINTILLA STRATEGIC INVESTMENTS LIMITED		2,950,000	1.08
17	EQUITY TRUSTEES LIMITED	<LOWELL RESOURCES FUND A/C>	2,727,084	1.00
18	MR TIMOTHY LEE HOOPS		2,639,222	0.97
19	HOOKS ENTERPRISES PTY LTD	<HOEKSEMA SUPERFUND A/C>	2,600,000	0.96
20	BERENES NOMINEES PTY LTD	<BERENES SUPER FUND NO 2 A/C>	2,450,000	0.90
		<b>Total</b>	<b>97,742,775</b>	<b>35.94</b>
		<b>Balance of register</b>	<b>174,202,975</b>	<b>64.06</b>
		<b>Grand total</b>	<b>271,945,750</b>	<b>100.00</b>

The Offers will have no effect on the quantity of Shares held by the above shareholders as only Options are being issued.

# Prospectus

## 7. Rights and liabilities attaching to securities

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### 7.1 A, B and C Option terms and conditions

#### Terms and conditions summary

	Number (approximate)	Exercise Price	Expiry Date
Tranche A	2,500,000	\$0.36	26 September 2021
Tranche B	10,408,334	\$0.12	30 September 2022
Tranche C	500,000	\$0.42	31 March 2023

- (a) The Options shall be issued for no cash consideration;
- (b) The Options will expire on the Expiry Date unless earlier exercised.
- (c) The Options are transferrable;
- (d) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (e) The number of Options that may be exercised at one time must be not less than 1000, unless the Option holder holds less than 1000 options in which case all options must be exercised at one time;
- (f) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
- (g) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (h) Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (i) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (i) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

# Prospectus

- (j) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
- $O$  = the old exercise price of the Option;
- $E$  = the number of underlying securities into which one Option is exercisable;
- $P$  = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- (k) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
- (l) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
- (m) The Company does not intend to apply for listing of the Options on the ASX; and
- (n) The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Option.

## 7.2 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares. Shares are the underlying securities of the A, B and C Options to be issued pursuant to this Prospectus.

This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shares holders (as at the date of this Prospectus). 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 Notice of Articles and Articles, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) Voting

# Prospectus

Holders of Shares are entitled to vote in person or by proxy at meetings of the Shareholders.

(b) Dividends

Shareholders are entitled to receive dividends as declared.

The Company will adopt a new constitution which provides for the following rights in respect of Shares:

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and any other laws.

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 special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands. On a poll, a holder of fully paid Shares has one vote for each share held and the holder of a partly paid share has a voting entitlement to the proportion which the amount paid is of the total amounts paid and payable.

(c) Dividend rights

Subject to any special rights (at present there are none), all dividends that may be declared by the Company are payable on all fully-paid Shares and partly paid Shares in proportion to the amount paid (not credited). The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

(d) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (A) divide among the Shareholders the whole or any part of the Company's property; and
- (B) decide how the division is to be carried out between the Shareholders (or different classes of shareholders)

but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

(e) Shareholder liability

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As the Shares issued on exercise of Options will be 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

Subject to the Constitution, the Corporations Act and other relevant laws, the Shares may be transferred by market transfer in accordance with a computerised or electronic system established or recognised under the Listing Rules or the Corporations Act, and by instrument in writing.

The Directors may decline to register a transfer of Shares where:

- (A) the Listing Rules permit the Company to do so;
- (B) the Listing Rules require the Company to do so; or
- (C) the transfer is in breach of the Listing Rules or any escrow agreement relating to "restricted securities" (defined under the Listing Rules) entered into by the Company under the Listing Rules.

(g) Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Directors may issue shares on such terms and conditions as they determine.

(h) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed at a general meeting. As with all general meetings of the Company, except as permitted by the Corporations Act at least 28 days written notice of the meeting must be given, and for a special resolution the notice must both specify the intention to propose the resolution as a special resolution and state the resolution.

(j) ASX Listing Rules

As the Company is already admitted to the Official List of the ASX, the following clauses apply despite the provisions of the Company's Constitution:

- (A) notwithstanding anything contained in the Company's Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (B) nothing contained in the Company's Constitution prevents an act being done that the Listing Rules require to be done;
- (C) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

# Prospectus

- (D) if the Listing Rules require the Company's Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- (E) if the Listing Rules require the Company's Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- (F) if any provision of the Company's constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

# Prospectus

## 8. Risk factors

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### 8.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the Options offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in the Company is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares or options.

More specifically, the risks are that:

- (a) the holder is unable to sell the Options;
- (b) the price of the Shares does not exceed the exercise price of the A, B or C Options (as applicable) during the term of the relevant Options and as such the Option holder is unlikely to exercise the relevant Options;
- (c) the price at which the holder is able to sell the new Shares issued on exercise of the Options is less than the exercise price paid due to changes in market circumstances;
- (d) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (e) the Company fails to generate sufficient profit in order to pay dividends.

Potential investors should therefore carefully consider all associated risks before applying for and submitting an Application Form and Option Transfer Form for the applicable A, B or C Options under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the Options offered under this Prospectus are set out in this section. The risks identified in this section include general risks which are beyond the control of the Company, specific risks concerning the Company's current position and planned future activities.

This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Options offered under this Prospectus and the value of Shares.

Section 8.2 outlines some of the key risks specific to an investment in the Company and section 8.3 outlines more general risks that may impact the Company.

### 8.2 Risks specific to an investment in the Company

The future operating performance of the Company and the value in the investment in the Company will depend on general industry and economic conditions. Where practicable the Company will look to mitigate or minimise the exposure to these specific risks outlined, although there can be no assurance that any mitigation will protect the Company from any such risks.

- (a) Increased Competition:

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There is a risk that the Company experiences increased competition from existing or new competitors, which may reduce its growth, market share and/or margins.

(b) Legislation and Government Regulations:

The Company may be affected by changes in legislation, taxes and governmental or regulatory policies.

Changes to or repeal of policy, legislation and regulations may have a substantial impact on the Company's outlook and/or financial position or performance and may also create uncertainty concerning the Company, which in turn may adversely affect the share price in the event the Scheme is not implemented.

(c) Exploration, Extraction and Development Risks:

The future value of the Company is largely dependent on its ability to find, extract and develop oil and gas resources that are economically recoverable. Oil and gas exploration and development is inherently highly speculative and involves a significant degree of risk. There is no assurance that planned exploration extraction activities will be successful and, even if oil and gas resources are identified, there is no guarantee that their production will be economic or that there will be a commercial opportunities available to monetise that resource.

(d) Resource Estimates:

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend on interpretations of data which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. A change in resource estimates applying to the Company may result in a re-evaluation of the commercial potential of the resource which could materially adversely affect the financial position and performance of the Company. Changes to resource estimates could also lead to alterations to exploration and mining plans which may increase the Company's costs.

(e) Licensing and Counter-Party Risks:

The Company may need to obtain further interests in tenements which grant the right to conduct exploration and development on the tenement areas. The Company may require additional permits should it seek to conduct development and production activities. The Company's rights to explore and later develop tenement areas may also depend on the completion of various sale and purchase and farm-in agreements and on the grant of Permits which may not be granted, may be granted subject to conditions and limitations or, where granted, may be cancelled or withdrawn.

There is no guarantee that any application for the granting of an appropriate permit will be granted or that the Company will be able to comply with the conditions imposed on such licences economically. The Company may have to relinquish a tenement or have a tenement cancelled for non-compliance with licence conditions.

Delay in the award or transfer of a licence, or the relinquishment or cancellation of a licensed area may materially adversely affect the ability of the Company to conduct exploration activities in accordance with its present plans.

(f) Condition of Licences:

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Tenements and licences will be granted subject to standard and specific conditions, including minimum expenditure commitments. In addition, conditions can be varied in certain circumstances beyond the control of the Directors of the Company. Conditions may be imposed which render the Company's exploration development and production activities uneconomic and failure to comply with a condition (for example where insufficient funds are available to meet minimum expenditure commitments) could lead to the cancellation or refusal to renew a tenement or licence, and this may materially adversely affect the Company's financial position and performance.

(g) Operational Risks:

Oil and gas exploration, extraction and development activities include numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, adverse weather conditions or environmental events, human errors and other unexpected events which occur in the process of drilling and exploration.

Production may also be impacted by various operating conditions including insufficient storage or transportation capacity, or other geological and mechanical conditions which increase the cost of developing and transporting the resource. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

The occurrence of operating risks leading to the curtailment, delay or cancellation of the Company's operations may result in the Company incurring significant financial costs. This may materially adversely affect the financial position and performance of the Company.

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with senior management) endeavour to anticipate, identify and manage the operational risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors to do so may be affected by matters outside their control and no assurance can be given that the Directors of the Company will be successful in these endeavours.

(h) Income Tax

Real Energy is confident that it has accounted correctly for any income tax liability in its financial statements but Real Energy has received an adverse finding in respect of the R & D tax incentive matter which is currently subject to appeal to the AAT. It is possible that Real Energy is unsuccessful in its case in the AAT and therefore is liable to repay the R & D tax incentive payments to the Australian Taxation Office which would have an adverse effect on the Company.

Real Energy has a dispute with Innovation and Science Australia in respect of its R&D Tax Incentive claims for the financial years from 2014 to 2019. Real Energy has not recognised any asset or liability in respect of any R&D Tax Incentive claims, in its financials. The directors of Real Energy are confident that Real Energy will be able to successfully resolve this dispute over time.

Real Energy has appealed the findings to the Administrative Appeals Tribunal (AAT) and seeks a determination for the more recent financial years. Real Energy has been paid about \$7.2 million for the R&D Tax Incentive claims for the 2014, 2015 and 2016 financial years and has potential unpaid R&D Tax Incentive claims of about \$6.5 million in respect of years ended 30 June 2017, 2018 and 2019.

# Prospectus

(i) Procurement Risks:

(1) Drilling Rigs and Equipment:

The Company's oil and gas exploration and development activities depend on the availability of drilling rigs, related equipment and experienced operators in the area of the exploration licences. The Company cannot guarantee access to experienced crews, drill rigs and operators and this may cause delays in Company's exploration, extraction and development programs which may result in increased costs.

(2) Skilled Labour:

The Company will require skilled labour workers and engineers in order to operate its activities. Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may materially adversely affect the financial position and performance of the Company.

(3) Key Personnel:

The Company's success depends to a significant extent upon its key personnel. The Company's progress in pursuing its exploration and evaluation programs within the time frames and within the cost structure currently envisaged could be adversely influenced by the loss of existing key personnel. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The impact of a loss of key staff would depend on the quality and timing of the employee's replacement. Accordingly, the loss of key personnel could materially adversely affect the Company's exploration activities and the financial performance of the Company.

## 8.3 General Risks

The Options that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is an exploration company listed on the ASX, and as such is considered highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) Share Market Risk

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. Further, the market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. Neither the Options nor any Shares (including those issued on exercise of the Options) carry any guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the market price of the Options and Shares issued on exercise of the Options and neither the Company nor its Directors have control of those factors.

(b) General Economic Conditions

Changes in the general economic climate in which the Company operates or holds investments in may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, currency fluctuations, inflation, supply and demand,

# Prospectus

industrial disruption, changes in investor sentiment, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(c) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(d) Liquidity

The Options will not be listed. As such there will not be an active market in the Options and there may be limited opportunities to transfer Options. Likewise, there is no guarantee that there will be an active market in Shares or that the price of the resulting Shares will increase.

(e) Litigation Risks

The Company is exposed to possible disputes and litigation risks including contractual disputes. If any such claim or dispute is proven, this may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) Force Majeure

The Company, 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, extreme weather conditions, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

## 8.4 Speculative investment

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 Shares or the Options offered under this Prospectus. To that extent the Options offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Options may trade and the payment of dividends in any future time.

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. An investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of Options pursuant to this Prospectus.

# Prospectus

## 9. Additional information

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### 9.1 Continuous disclosure obligations

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offers, the effect of the Offers on the Company and the rights and liabilities attaching to the Options Shares to be issued on exercise of the Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2020;
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2020 and ending on the date of lodgement of this Prospectus with ASIC.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
24/03/2021	Initial Director's Interest Notice
24/03/2021	Initial Director's Interest Notice
22/03/2021	Proposed Issue of Securities – PH2
18/03/2021	Placement to fund Hydrogen Initiatives
17/03/2021	Trading Halt
17/03/2021	Final Director's Interest Notice x3
17/03/2021	Aust Energy & Minerals Investor Conference Presentation

# Prospectus

Date	Description of Announcement
17/03/2021	Completion of Merger
17/03/2021	Change of Director's Interest Notice x 4
17/03/2021	Section 708A Notice and Appendix 2A
15/03/2021	Presentation
13/03/2021	Venus 1 Update
09/03/2021	Update – Proposed issue of Securities – PH2
05/03/2021	Proposed issue of Securities – PH2
01/03/2021	Merger Update
01/03/2021	Change of Company Name and ASX Code
25/02/2021	Merger Update
25/02/2021	Introducing Pure Hydrogen
23/02/2021	Change of Director's Interest Notice
23/02/2021	Section 708A Notice and Appendix 2A
18/02/2021	Merger Update
10/02/2021	Merger Update
09/02/2021	Change of Director's Interest Notice x2
09/02/2021	Section 708A Notice and Appendix 2A
09/02/2021	Merger Update
05/02/2021	Results of Extraordinary General Meeting
03/02/2021	Chess Depositary Interest
29/01/2021	Half Year Accounts
29/01/2021	Quarterly Cashflow Report
29/01/2021	Quarterly Activities Report
27/01/2021	Section 708A Notice and Appendix 2A
25 Jan 2021	Merger Update
11 Jan 2021	Notice of Extraordinary General Meeting/Proxy Form
4 Jan 2021	Section 708A Notice and Appendix 2A
4 Jan 2021	Chess Depositary Interest - SXA
23 Dec 2020	Proposed issue of Securities - SXA
23 Dec 2020	Placement
21 Dec 2020	Trading Halt
17 Dec 2020	Merger Update
17 Dec 2020	RLE: Real Energy and Strata -X Energy merger update
15 Dec 2020	Strata-X Executes Serowe CSG Project JOA
14 Dec 2020	Trading Halt
11 Dec 2020	Merger Update

# Prospectus

Date	Description of Announcement
11 Dec 2020	Results of Meeting
11 Dec 2020	Pure Energy 2020 Update
10 Dec 2020	Pure Hydrogen Clean Energy for the Planets Future
7 Dec 2020	Minor Amendment to the Scheme Implementation Agreement
3 Dec 2020	Venus 1 CSG Well Stimulation Update
3 Dec 2020	Venus Pilot Well Stimulation By End Of 2020
2 Dec 2020	Chess Depositary Interest - SXA
19 Nov 2020	Venus-1 CSG Well Update
19 Nov 2020	Venus-1 CSG Well Update
16 Nov 2020	Results of AGM
9 Nov 2020	Scheme Booklet including Notice of General Meeting
9 Nov 2020	Venus 1 CSG Well to be completed as a pilot well
9 Nov 2020	Venus-1 to be completed as a pilot well
6 Nov 2020	Venus 1 CSG Well Spudded reaches total depth
6 Nov 2020	Venus-1 Pilot Well Reaches Total Depth
2 Nov 2020	Chess Depositary Interest - SXA
2 Nov 2020	Venus 1 CSG Well Spudded
2 Nov 2020	Venus-1 Walloons CSG Pilot Well Spuds
30 Oct 2020	Rig Mobilised to Site of Venus-1 CSG Well
30 Oct 2020	Quarterly Cashflow Report
30 Oct 2020	Quarterly Activities Report
29 Oct 2020	Rig mobilises to site for commencement of Venus-1 CSG Well
22 Oct 2020	Change of Director's Interest Notice x3
20 Oct 2020	Site Preparations Commenced for Venus-1 CSG Well
20 Oct 2020	Well Site preparations commenced for Venus-1 CSG Well
19 Oct 2020	Proposed issue of Securities - SXA
19 Oct 2020	Notice of Annual General Meeting/Proxy Form
6 Oct 2020	Change of Director's Interest Notice
6 Oct 2020	Appendix 2A
6 Oct 2020	Placement Closed
1 Oct 2020	Chess Depositary Interest - SXA
25 Sept 2020	Appendix 4G
25 Sept 2020	Change of Director's Interest Notice

## 9.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules, in accordance with the ASX

# Prospectus

Listing Rules, and which is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Options and Shares and which information would be reasonable for investors and their professional advisers to expect to find in this Prospectus.

## 9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	38.0 cents	12 March 2021
Lowest	8.4 cents	7 January 2021
Last	29.5 cents	24 March 2021

## 9.4 Additional information regarding the Scheme of Arrangement

In its announcements of 15 July 2020, 9 November 2020 and 17 December 2020 the Company has disclosed the terms on which it proposed to undertake a Scheme of Arrangement with Real Energy. The merger proceeded following the Federal Court of Australia's approval of the Scheme on the 5 March 2021.

## 9.5 Notice of Articles and Articles

A new constitution in a form common to public companies in Australia will be presented for adoption by the Company upon the Continuation taking effect.

The Company will provide a copy of the Notice of Articles and Articles to any Real Energy Optionholder, Shareholder upon request, free of charge.

## 9.6 Corporate Governance

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

## 9.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed holds, or has held at within the two years preceding lodgement of this Prospectus with 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;
  - (ii) the Offer; or

# Prospectus

(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 of the Company; or

(e) for services provided in connection with:

(iii) the formation or promotion of the Company; or

(iv) the Offers.

## **Security holdings**

The relevant interest of each of the Directors or Proposed Directors in the securities of the Company as at the date of this Prospectus, as well as at completion of the Offers, is set out below.

Directors	Shares (Direct and Indirect)	Options
Scott Brown	12,825,695	166,667
Lan Nguyen	7,623,393	-
Ron Prefontaine	16,011,951	1,669,000

The table is based on their current holdings. If a director buys or sells shares prior to the Record Date their entitlement will change accordingly.

## **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of all non-executive Directors is initially set by the Directors 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 \$150,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, 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 following table shows the total annual remuneration paid to Directors (payment inclusive short & long term cash remuneration):

# Prospectus

Directors	Financial Year ending 30 June 2021	Financial Year ending 30 June 2020	Financial Year ending 30 June 2019
Scott Brown	\$298,500	\$329,000	\$329,000
Lan Nguyen	\$109,500	\$131,000	\$158,000
Ron Prefontaine	-	-	-

*Note: The above disclosure relates to current Directors and does not include directors who resigned due to the Merger. The above also records the remuneration received by Mr Scott Brown and Mr Lan Nguyen during this period from Real Energy.*

## 9.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements;
- (b) payment of Directors fees; and
- (c) those payments are disclosed above.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of transactions which have either proceeded on an "arms length" basis. The amounts are disclosed above.

## 9.9 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 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 of the Company; or
  - ii. The Offers; or
- (c) the Offers

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:

# Prospectus

- (a) the formation or promotion of the Company; or
- (b) the Offers

## 9.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## 9.11 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus or publicly disclosed via the ASX which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

## 9.12 Privacy

By submitting an Option Transfer Form and an Application Form you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare (Canada) and Link Market Services (Australia), each an external service provider. The Company requires Link Market Services to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as the payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- i. when you agree to the disclosure;
- ii. when used for the purposes for which it was collected;
- iii. when disclosure is required or authorised by law;
- iv. to other members in the Pure Hydrogen group of companies;
- v. to your broker;
- vi. to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registries, except in limited circumstances. If you wish to access,

# Prospectus

update or correct your personal information held by the Share Registries or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## 9.13 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (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.

Link Market Services has given and, as at the date hereof, has not withdrawn, its written consent to being named as the Share Registrar (Australia) in the form and contest in which it is named.

Link Market Services has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Link Market Services has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

## 9.14 Expenses of the offer

The total expenses of the Offers are estimated to be approximately \$15,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	\$
Legal costs of the Offers	\$10,000
ASX and ASIC costs	\$4,000
Printing, postage and share registry	\$1,000
<b>Total costs</b>	<b>\$15,000</b>
Plus GST	\$1,500
<b>Total including GST</b>	<b>\$16,500</b>

# Prospectus

## 10. Directors' Authorisation

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This Prospectus is issued by Pure Hydrogen Corporation Ltd ACN 160 885 343. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Pure Hydrogen Corporation Ltd by:

A handwritten signature in black ink, appearing to read 'Scott Brown', with a long horizontal flourish extending to the right.

**Scott Brown**  
**Managing Director**

# Prospectus

## 11. Glossary

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**\$** means the lawful currency of the Commonwealth of Australia.

**A Option Offer** means the offer and issue of the A Options the subject of this Prospectus.

**A Option** means an option to acquire a Share on the terms and conditions set out in section 7.1 of this Prospectus.

**Applicant** means a person who submits an Transfer and Application Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited and the Australian Securities Exchange as the context requires.

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

**B Option Offer** means the offer and issue of the B Options the subject of this Prospectus.

**B Option** means an option to acquire a Share on the terms and conditions set out in section 7.1 of this Prospectus.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney.

**C Option Offer** means the offer and issue of the C Options the subject of this Prospectus.

**C Option** means an option to acquire a Share on the terms and conditions set out in section 7.1 of this Prospectus.

**Closing Date** means the closing date for each Offer as set out in section 2, subject to variation by the Company without notice.

**Computershare** means Computershare Investor Services Inc.

**Company** means Pure Hydrogen Corporation Ltd ACN 160 885 343

**Notice of Articles and Articles** means the Notice of Articles and Articles of the Company as at the date of this Prospectus.

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

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

**Link Market Services** means Link Market Services Limited ACN 083 214 537.

**Offers** means the A Option Offer, the B Option Offer and the C Option Offer, and **Offer** means any of them.

**Opening Date** means the opening date for each Offer as set out in section 2, subject to variation by the Company without notice.

**Option** means an option to acquire a Share.

**PH2** means Pure Hydrogen Corporation Ltd ACN 160 885 343.

# Prospectus

**Prospectus** means this prospectus dated 12 July 2021 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

**Real Energy** means Real Energy Corporation Limited ACN 139 792 420.

**Real Energy A Optionholders** means the holders of the Real Energy Tranche A Options.

**Real Energy B Optionholders** means the holders of the Real Energy Tranche B Options.

**Real Energy C Optionholders** means the holders of the Real Energy Tranche C Options.

**Real Energy Optionholders** means the Real Energy A Optionholders, the Real Energy B Optionholders and the Real Energy C Optionholders.

**Real Energy Options** means the Real Energy Tranche A Options, the Real Energy Tranche B Options and the Real Energy Tranche C Options.

**Real Energy Tranche A Options** means the 7,500,000 unlisted options on issue to subscribe for ordinary shares in Real Energy with an exercise price of \$0.12 each and expiring on 26 September 2021.

**Real Energy Tranche B Options** means the 31,225,000 unlisted options on issue to subscribe for ordinary shares in Real Energy with an exercise price of \$0.04 each and expiring on 30 September 2022.

**Real Energy Tranche C Options** means the 1,500,000 unlisted options on issue to subscribe for ordinary shares in Real Energy with an exercise price of \$0.14 each and expiring on 31 March 2023.

**Scheme Booklet** means the scheme booklet issued by Real Energy in connection with the Scheme of Arrangement.

**Scheme of Arrangement** means the merger of Real Energy and the Company via a scheme of arrangement pursuant to Part 5.1 of the Corporations Act whereby the Company will acquire all of the shares in Real Energy.

**Securities** has the same meaning as in section 92 of the Corporations Act.

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

**Share Registrar** means Link Market Services Limited (Australia).

**Shareholder** means a holder of a Share.

**US Securities Act** means the US Securities Act of 1933 as amended from time to time.

# Prospectus

## Corporate directory

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<b>Directors and Officer</b>	<b>Corporate and Registered Office</b>
<p><b>Directors</b> Mr Ronald Prefontaine – Non-executive Chairman Mr Scott Brown – Managing Director Mr Dang Lan Nguyen – Non-executive Director</p> <p><b>Company Secretary</b> Mr Ron Hollands</p>	<p><b>Australia</b> Level 3, 32 Walker Street North Sydney NSW, Australia</p> <p>Phone: +61 2 9955 4008 Email: <a href="mailto:admin@purehydrogen.com.au">admin@purehydrogen.com.au</a> Website: <a href="http://www.purehydrogen.com.au">www.purehydrogen.com.au</a></p>
<b>Share Registrar</b>	
<p><b>Australia</b> Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Phone: +61 2 8280 7001</p>	

# Prospectus

## Option Transfer and Application Form

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**Pure Hydrogen Corporation Limited**  
 ABN 27 160 885 343

All communications to:  
 Pure Hydrogen Corporation Limited  
 Level 3, 32 Walker Street  
 North Sydney NSW 2060  
 Telephone: +61 (0)2 9955 4008  
 ASX Code: PH2  
 Website: [www.purehydrogen.com.au](http://www.purehydrogen.com.au)

NAME AND ADDRESS OF OPTIONHOLDER

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Entitlement Ratio: 3 RLE Options for  
 1 PH2 Option at nil cost**

**SRN/HIN: <insert>**

**No. of RLE Option Held: <insert>**

**Offer Closing Date: 6 September 2021**

**(ASX: PH2) OPTION <insert> APPLICATION FORM**

According to our records, you hold Options in Real Energy Corporation Limited (RLE). RLE and Strata-X Energy Limited merged to form Pure Hydrogen Corporation Limited (ASX: PH2), effective 17 March 2021.

Given your RLE Options are now in an unlisted company, PH2 will, at no cost, issue you, on the same entitlement ratio RLE shareholders received when the above merger was effected, one (1) PH2 Option for every three (3) RLE options pursuant to PH2 Option Prospectus dated 12 July 2021. If you do not lodge your Application form by the Closing Date for the Option offer, 5pm (EST) on 6 September 2021, you will not be issued new Options in the Company and your RLE Option will retain in Real Energy.

Each new PH2 Option will entitle you to subscribe to 1 (one) PH2 Share at the stated Exercise Price, on before the expiry date, under the Option Prospectus. The terms and conditions of the PH2 Options are identical to the RLE Options currently held.

**The offer details and terms of option are disclosed below for you are:**

Number of PH2 Option offered	Exercise Price for Option <insert>	Expiry Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

**PLEASE SIGN BELOW TO EXPRESS YOUR ACCEPTANCE TO THIS OFFER**

I/We apply the following number of PH2 options. Please allot me/us PH2 Options calculated on the basis of every three (3) RLE options for one (1) PH2 option which I/we apply under the same SRN/HIN. I/We agree to accept such Options subject to the Constitution of Pure Hydrogen Corporation Limited.

Signatory of Authorised Representative	Print Name	Contact Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

## HOW TO COMPLETE THE OPTION <insert> APPLICATION FORM

Please sign form and return to address below

### Consequence of late lodgement

If an Option Application Form is not received before 5:00pm (AEST) on **6 September 2021**, your RLE Option will remain in Real Energy and you will not be issued new Option in the Company. Real Energy is no longer listed on the ASX.

### How to Lodge the Options (PH2) Application Form

The completed application form with the accompanying payment must be mailed to the address set out below

**Mailing Address:**

Pure Hydrogen Corporation Limited  
Level 3, 32 Walker Street  
North Sydney NSW 2060

Or

**Email Address (if you choose to do an electric funds transfer)**

[investor@purehydrogen.com.au](mailto:investor@purehydrogen.com.au)

Make sure you send your Application form allowing enough time for mail delivery, so that Pure Hydrogen Corporation Limited receives them no later than 5:00pm (Sydney time) on **6 September 2021** to avoid the loss of your entitlement to the PH2 Options.

If you require information on how to complete this form please contact the Pure Hydrogen Corporation Limited on 0419 239 695 if calling within Australia or +61 (0) 419 239 695 if calling from outside of Australia, between 8:30am and 5:00pm (AEST) Monday to Friday.

If you are unsure as to whether or not to participate in the Options Application, please contact your accountant, stockbroker, solicitor or other professional adviser.