



ENEABBA GAS LIMITED

ABN 69 107 385 884

PROSPECTUS

For a pro-rata non-renounceable rights issue of up to 24,642,801 New Options on the basis of one (1) New Option for every five (5) Shares held on the Record Date of 29 September 2008 at an issue price of 1 cent per New Option, to raise up to \$246,428.

Each New Option is exercisable at \$0.15 each on or before 30 June 2010.

The Rights Issue closes at 5.00pm AWST on 17 October 2008.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. Due to the nature of the Company's activities, the New Options offered by this Prospectus should be considered speculative. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

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Summary of Important Dates*

Announcement of Rights Issue	11 September 2008
Lodge Prospectus with ASIC	18 September 2008
Shares quoted ex-rights	23 September 2008
Record Date to determine Entitlements	29 September 2008
Opening date and despatch of Prospectus	2 October 2008
Closing Date	17 October 2008
Notification to ASX of under-subscriptions	22 October 2008
Allotment of New Options and dispatch of holding statements	27 October 2008

*These dates are indicative only. The Directors reserve the right to vary the key dates, without prior notice and subject to compliance with the ASX Listing Rules.

IMPORTANT NOTICE

Shareholders should read this Prospectus in its entirety and, if in doubt, should consult their professional advisers before deciding whether to accept their Entitlements. This Prospectus is dated 18 September 2008. A copy of this Prospectus was lodged with the ASIC on 18 September 2008. No responsibility for the contents of this Prospectus is taken by ASIC and ASX. No applications for New Options will be accepted nor will New Options be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a "transaction-specific" prospectus issued under section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to the ASX; it does not include all information that would be included in a prospectus for an offering of securities in a company that is not already listed on the ASX. Accordingly, shareholders should also have regard to other publicly available information in relation to the Company before deciding whether to apply for New Options under this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

CORPORATE DIRECTORY

DIRECTORS

Mr Reginald N Gillard – Chairman, Non-executive director
Mr Mark H Babidge – CEO & Managing Director
Mr Christopher E Bennett – Non-executive director
Mr Peter R Oates – Non-executive director

REGISTERED OFFICE

Level 1, 30 Ord Street
West Perth WA 6005
Tel: +61 8 9321 0099
Fax: +61 8 9321 0299
www.eneabbagas.com.au

SHARE REGISTRY

Security Transfer Registrars Pty Ltd *
PO Box 535
Applecross WA 6953

Tel: +61 8 9315 2333

- * This entity has not been involved in the preparation of any part of this Prospectus. Its name is included for information purposes only.

BRIEF INSTRUCTIONS

For Current Shareholders

What You May Do

The number of New Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- Allow the whole of the Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5:00pm AWST on 17 October 2008.

Entitlements Not Taken Up

Any New Options not taken up by Existing Shareholders will become Shortfall Options. Shortfall Options will be dealt with by the Directors in their sole discretion, within three months of the close of the Rights Issue as permitted under the Listing Rules.

Section 1 DETAILS OF THE OFFER

1.1 The Offer

Pursuant to this Prospectus, the Company is inviting Existing Shareholders to subscribe for New Options at an issue price of one (1) cent each, on the basis of one (1) New Option for every five (5) Shares held as at the Record Date.

The Rights Issue will raise between approximately \$149,152 and \$236,428 (before expenses of the Rights Issue), depending on whether any of the existing Options are exercised prior to the Record Date.

As at the date of this Prospectus, the Company has 74,576,007 Shares on issue, a single class of listed Options and unlisted executive and employee Options. Further details of the Company's capital structure are provided in Section 2 of this Prospectus.

Existing holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue. If all of the exercisable Options currently on issue are exercised prior to the Record Date, the number of New Options that are offered pursuant to this Prospectus will be 24,642,801. If none of the Options currently on issue are exercised prior to the Record Date, 14,915,201 New Options would be offered pursuant to this Prospectus.

1.2 Purpose of the Rights Issue

If all Options currently on issue are exercised prior to the Record Date, and all Entitlements taken up, the Rights Issue will raise approximately \$246,428 before costs of the Rights Issue. As the existing Options are exercisable at 30 cents each and the Shares have been trading on ASX at around 10 cents recently, the Directors expect that none of the existing Options will be exercised. In that case approximately 14,915,201 New Options will be offered and if they are fully subscribed for, gross funds of approximately \$149,152 will be raised.

There is no minimum subscription and any amounts raised under the Rights Issue, after payment of expenses (estimated to be approximately \$17,000, based on issue of approximately 14,915,201 New Options) in connection with the Rights Issue, will go towards funding the Company's ordinary business activities.

The Rights Issue is also designed to provide the Company's shareholders with another class of tradeable securities in the Company for a relatively low outlay of funds.

1.3 No Entitlement Trading

The offer under the Rights Issue is non-renounceable and accordingly, Existing Shareholders can not dispose of or trade any part of their Entitlement.

1.4 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances on 2 October 2008 and will close at 5:00pm AWST on 17 October 2008, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

1.5 Brokerage and Commission

No brokerage or stamp duty will be payable by investors.

1.6 Entitlements and Acceptance

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

If you wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form. Please ensure the completed Entitlement and Acceptance Form, together with your cheque, is received by the Company's Share Registry **not later than 5.00pm AWST on 17 October 2008**. Cheques should be made payable to "**Eneabba Gas Limited**" and crossed "Not Negotiable".

Partial Acceptance of Entitlement

If you wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Options for which you wish to accept the offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form). Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry **not later than 5.00pm AWST on 17 October 2008**. Cheques should be made payable to "**Eneabba Gas Limited**" and crossed "Not Negotiable".

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Options not accepted will be dealt with in accordance with Section 1.13.

Enquiries and Address for receipt of Completed Entitlement and Acceptance Forms

Completed Entitlement and Acceptance Form and cheques must be received by the share registry at:

Delivered to
Security Transfer Registrars Pty Ltd
770 Canning Highway,
Applecross
Western Australia 6153

Or by post to
Security Transfer Registrars Pty Ltd
PO Box 535
Applecross
Western Australia 6953

If you have any queries regarding your Entitlement, please contact Security Transfer Registrars Pty Ltd by telephone on (61 8) 9315 2333 or your stockbroker or professional adviser.

1.7 Issue and Allotment of New Options

The New Options are expected to be issued and allotted by no later than 27 October 2008. Until issue and allotment of the New Options under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Options takes place.

1.8 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Options offered pursuant to this Prospectus.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Options and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Options now offered for subscription.

1.9 No Issue of New Options after 13 months

No New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.10 Minimum Subscription and Over-Subscriptions

There is no minimum subscription and over-subscriptions will not be accepted.

1.11 Underwriting

This Rights Issue is not underwritten.

1.12 Overseas Investors

Persons resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or whether formalities need to be observed, to enable them to accept the offer of, or apply for, New Options pursuant to this Prospectus.

The offer of New Options under this Prospectus is permitted under the laws of Australia, New Zealand, Ireland, Malaysia, Singapore, and the U.K. (being referred to collectively as the "**Permitted Foreign Jurisdictions**"). Accordingly, Shareholders resident in those countries may accept or apply for the New Options offered by this Prospectus.

Shareholders resident in Permitted Foreign Jurisdictions should also note that:

- (a) investing in the securities of an Australian company may carry with it a currency exchange risk;
- (b) they should satisfy themselves as to the taxation implications of accepting the offer of New Options;
- (c) the financial reporting requirements applying in Permitted Foreign Jurisdictions and those applying to the Company may be different and the financial statements of the Company may not be compatible in all respects with financial statements prepared in accordance with the laws of Permitted Foreign Jurisdictions;
- (d) the offer and allotment of the New Options will be governed by this Prospectus and will be made in accordance with the laws of Australia, and the Company may not be subject in all respects to the laws of Permitted Foreign Jurisdictions;
- (e) the contract arising out of an acceptance of an Entitlement or the application for any New Options may not be enforceable in Courts of Permitted Foreign Jurisdictions;
- (f) this Prospectus has not been registered in any Permitted Foreign Jurisdiction under and in accordance with laws of that jurisdiction and may not contain all the information that a prospectus registered in that jurisdiction is required to contain; and
- (g) it is not a condition of the issue of the New Options that the Company be listed on the stock exchange of any Permitted Foreign Jurisdiction and, as such, Shareholders in Permitted Foreign Jurisdictions may not have access to information concerning the Company in the same way as persons have in relation to an issuer listed on a stock exchange in those jurisdictions.

With only 1 shareholder outside Australia and the Permitted Foreign Jurisdictions, it is not reasonable for the Company to meet the requirements of the securities laws of countries other than Australia and the Permitted Foreign Jurisdictions and the offer of New Options has not been and will not be registered under the relevant securities laws of those jurisdictions. For that reason, no Entitlement and Acceptance Forms can be or are being sent to Shareholders with registered addresses outside Australia and the Permitted Foreign Jurisdictions, and this Prospectus is being sent to them for information purposes only.

1.13 Shortfall

Any New Options not taken up by Existing Shareholders under the Rights Issue will become Shortfall Options. Shortfall Options will be placed by the Directors in their sole discretion within three months of the close of the Rights Issue as permitted under the Listing Rules.

Section 2 CAPITAL STRUCTURE & EFFECT OF THE RIGHTS ISSUE

2.1 Principal Effects

The principal effects of the Rights Issue (assuming none of the Options currently on issue are exercised for the reasons explained in Section 1.2 and assuming that there is no Shortfall) are:

- (a) the Company's cash funds will increase by approximately \$149,152 less expenses of the Rights Issue, which are estimated to be approximately \$17,000; and
- (b) the total number of securities on issue will be as noted in the table below in Section 2.2.

2.2 Capital Structure

Capital Structure of the Company

The existing capital structure of the Company and the pro-forma capital structure following the Rights Issue is set out below:

Issued Capital	Shares	Options exercisable @ 30 cents – 30/06/09	Options exercisable @ 15 cents – 30/06/10	Options - Unlisted*
Existing securities	74,576,007	48,637,996	-	8,950,000
New Options offered for subscription pursuant to this Prospectus (assuming none of the existing Options are exercised prior to the Record Date)	-	-	14,915,201	-
Total securities on issue after completion of Rights Issue	74,576,007	48,637,996	14,915,201	8,950,000

Notes:

*Unlisted Options comprise 7,500,000 unlisted executive Options exercisable at \$0.001 each on or before 30 June 2010 subject to achievement of certain performance criteria and 1,450,000 unlisted Options issued under the Company's Employee Option Plan and which are exercisable at 25 cents each between 7 March 2009 and 7 March 2011. The above table assumes these Options are not exercised prior to the Record Date as they will not have vested or be exercisable prior to that date.

Section 3 RISK FACTORS

The New Options offered under this Prospectus are considered speculative. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus. In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors that may affect the future operating and financial performance of the Company and the value of an investment in it, which potential investors need to be aware.

3.1 Business Risks for Power Provision

The establishment, viability and profitability of the Company as a power provider will be dependent on a number of factors, including, but not limited to, the following:

- confirmation of definite take or pay contracts for electricity supply with iron ore producers and other customers in the Mid West region of Western Australia;
- existing and new power providers in competition with the Company;
- the proposed onset of a carbon scheme in 2010 and the outcome with regard to gas-fired generators' competitive advantage when compared to dirtier coal-fired generators;
- environmental management issues with which the Company may be required to comply from time to time;
- unforeseen major failures, delays, or breakdowns in the development and construction of the proposed 168 MW Centauri 1 power station, engagement with the SWIS network and the procurement of gas to drive the turbines; and
- shortages or increases in the costs of consumables, spare parts, plant and equipment and labour.

3.2 Exploration and Mining Risks

The Company's extensive holding of exploration licences in the Mid West region of Western Australia was acquired with a view to identifying commercial quantities of coal seam methane gas, which, if successful, could provide gas at a lower cost to drive the turbines at the proposed Centauri 1 power station. Recently, the Company has also been assessing its tenement holding for underground coal gasification potential.

The Company's activities in this regard are at an early stage and there are numerous factors that impact on commercial success or otherwise. These factors include but are not limited to the following:

- approval of drill programs;
- commodity prices;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of reserves, satisfactory performance of mining operations and competent management;
- risks associated with obtaining grant of any mining tenements which are applications or renewal of tenements upon expiry of their current term;
- the risk of material adverse changes in the government policies or legislation affecting the level of mining and exploration activities;
- environmental management issues with which the Company may be required to comply from time to time;
- poor weather conditions over a prolonged period which might adversely affect exploration activities and the timing of earning revenues;
- unforeseen major failures, breakdowns or repairs required to key items of plant and equipment or infrastructure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep; and
- shortages or increases in the costs of consumables, spare parts, plant and equipment and labour.

3.3 Development Capital

Whilst the Company is in a holding position with respect to development of Centauri 1 power station, it continues to incur expenditure on corporate and administrative overhead costs. Similarly, exploration will reduce the cash reserves of the Company, which may not be replaced. The Company would then be dependent on seeking development capital elsewhere, through equity, debt or joint venture financing, to support long term exploration, evaluation and development of its projects.

3.4 General Economic Factors, Investment Risks and Market Conditions

General economic conditions may affect inflation and interest rates, which in turn may impact upon the Company's operating costs and financing. Other factors that may adversely affect the Company's activities, include changes in government policies, natural disasters, industrial disputes, and social unrest or war on a local or global scale. Numerous international and domestic factors affect stock markets and the prices of securities quoted on them.

3.5 Speculative Nature of 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 the New Options offered under this Prospectus.

Section 4 ADDITIONAL INFORMATION

4.1 Legal Framework of this Prospectus

Eneabba Gas Limited (“ENB”) is a “disclosing entity” under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, ENB is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its securities.

4.2 Applicability of Corporations Act

As a “disclosing entity”, ENB has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are options to acquire quoted enhanced disclosure (“ED”) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, ENB believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require ENB to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus. Therefore the Company is only required to provide in this Prospectus information on the effect of the issue of the New Options on the Company and the rights attaching to the New Options (and the Shares over which they have rights of conversion) being offered by the Prospectus. There is no obligation to include general information in relation to the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company. Information which is already in the public domain has not been reported in this Prospectus, other than that which is necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Options to be issued under this Prospectus are Options in respect of a class of shares that were continuously quoted securities at all times in the 12 months before the issue of this Prospectus.

4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the financial report for the year ended 30 June 2008;
- (b) any continuous disclosure notices given by the Company during the period starting after lodgement with the ASIC of the financial report referred to in paragraph (a) and ending before lodgement of this Prospectus with ASIC.

The documents referred to in paragraph (b) are the following:

Date	Description of ASX Announcement
09/09/08	Results of Meeting
09/09/08	Appendix 3B
09/09/08	Change of Director's Interest Notice
10/09/08	Notice of Annual General Meeting
11/09/08	Option Entitlement Offer
12/09/08	Notice to optionholders
17/09/08	Annual Report 2008
18/09/08	Gas supply agreement

As this Prospectus is issued under the special prospectus content rules set out in section 713 of the Corporations Act, it contains details specific to the Issue. If you require any further information in relation to the Company, the Directors recommend that you take advantage of the ability to inspect or obtain copies of the documents referred to above. All requests for copies of the above documents should be addressed to the Company Secretary, Eneabba Gas Limited, Level 1, 30 Ord Street, West Perth, Western Australia 6005 or to facsimile number +61 8 9321 0299.

None of the information referred to in this Section 4.3 is incorporated by reference into this Prospectus or is issued with this Prospectus.

4.4 Terms and Conditions of New Options

The terms and conditions of the New Options are:

- (a) Each New Option entitles the holder to subscribe for and be allotted one Share. The exercise price of each New Option is \$0.15.
- (b) The New Options are exercisable at any time prior to 5.00pm WST on 30 June 2010 ("the Expiry Date") by notice in writing to the Directors accompanied by payment of the exercise price as detailed in (a) above.
- (c) The New Options are transferable and an application will be made to the ASX for Official Quotation of the New Options.
- (d) Shares allotted and issued pursuant to the exercise of a New Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the New Option and payment of the requisite application moneys.
- (e) All Shares issued upon exercise of the New Options will rank pari passu in all respects with the Company's fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the New Options within three business days after the date of allotment of those Shares.
- (f) There are no participating rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the New Options. However, the Company will send a notice to each optionholder at least nine business days before the record date for any proposed issue of capital on a pro-rata entitlement offer basis. This will give optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (g) There are no rights to a change in exercise price, or in the number of Shares over which the New Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any New Options.
- (h) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
- (i) The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of New Options held and the number of Shares to be issued on exercise of the New Options, the exercise price, the due date for payment and the consequences of non-payment.

4.5 Rights Attaching to Shares

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, excluding amounts credited, provided that amounts paid in advance of a call are ignored when calculating a true proportion.

A poll may be demanded by the chairman of the meeting, by any five shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of all those shareholders having the right to vote on the resolution.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(c) Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may decline to register any transfer of shares (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASTC Settlement Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules.

(d) Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

(e) Liquidation Rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. If the Company is wound up, a liquidator may, with the authority of a special resolution of shareholders divide among the shareholders in kind the whole of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the shareholders, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder of the Company is compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder Liability

The Shares are fully paid shares and, as such, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

4.6 Interests of Directors

4.6.1 Directors' Holdings

At the date of this Prospectus the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares	Options
Mr R N Gillard	2,600,000	5,300,000 (30cts – 30 June 2009)
Mr M H Babidge	5,000,001	3,750,000 (30cts – 30 June 2009) 7,500,000 unvested, subject to achievement of certain performance criteria (0.1cts – 30 June 2010)
Mr C E Bennett	200,000	3,100,000 (30cts – 30 June 2009)
Mr P R Oates	50,000	500,000 (30cts – 30 June 2009)

4.6.2 Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$200,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs extra services or makes any special exertions on behalf of the Company or the business of the Company outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship.

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

Financial year ended 30 June 2008

2008	Base Salary & Fees	Special Fees	Allowances	Super-annuation	Non-Cash Options Value	Total
	\$	\$	\$	\$	\$	\$
Executive director:						
Mr M H Babidge	186,275	-	15,750	16,650	-	218,675
Non-executive directors:						
Mr C E Bennett	40,000	-	750	3,600	-	44,350
Mr R N Gillard	50,000	-	15,750	4,500	-	70,250
Mr P R Oates	40,000	8,050	750	3,600	-	52,400

The Directors did not receive any share based remuneration during the period ending 30 June 2008. Executive Options (5,000,000) previously granted to Mr Babidge lapsed on the expiry date of 30 June 2008.

Financial year ended 30 June 2007

2007	Base Salary & Fees	Special Fees	Allowances	Super-annuation	Non-Cash Options Value	Total
	\$	\$	\$	\$	\$	\$
Executive director:						
Mr M H Babidge	150,592	-	15,756	13,553	55,667	235,568
Non-executive directors:						
Mr C E Bennett	39,996	15,197	756	3,600	-	59,549
Mr R N Gillard	49,998	-	15,756	4,500	-	70,254
Mr P R Oates	39,996	1,480	756	3,600	-	45,832

With effect from 1 September 2008, directors' fees and remuneration have increased and the new rates (excluding superannuation) are as follows:

Executive Director, Mark Babidge – \$200,000 per annum plus various allowances amounting to \$19,200. On 8 September 2008, Mr Babidge was granted 7,500,000 Options (refer Section 4.6.1 above) as part of his remuneration package.

Non-executive Chairman - \$65,000 per annum plus various allowances amounting to \$19,200

Non-executive directors - \$55,000 per annum plus allowances amounting to \$1,200

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

4.6.3 Other Interests

Corporate Consultants Pty Ltd, an entity in which Mr Gillard and Mr Shah have an interest, provided company secretarial services to the Company for a fee of \$45,000 (excluding GST) during the years ended 30 June 2008 and 30 June 2007. With effect from 1 September 2008, the annual amount has increased to \$54,000 (excluding GST).

Section 5 **DEFINED TERMS**

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited;

"**AWST**" means Australian Western Standard Time;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Closing Date**" means 5.00pm AWST on 17 October 2008;

"**Company**" and "**ENB**" means Eneabba Gas Limited ABN 69 107 385 884;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Entitlement**" means the entitlement of an Existing Shareholder to apply for New Options;

"**Entitlement and Acceptance Form**" means the Entitlement and Acceptance Form accompanying this Prospectus;

"**Existing Shareholder**" means those shareholders of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"**Listing Rules**" means the Listing Rules of ASX;

"**New Option**" means an option to acquire one Share, each exercisable at \$0.15 on or before 30 June 2010, the full terms of which are set out in Section 4.4;

"**Option**" means an option to acquire one Share;

"**Prospectus**" means this prospectus dated 18 September 2008;

"**Record Date**" means 5.00 pm AWST on 29 September 2008;

"**Rights Issue**" means the issue pursuant to the Prospectus of up to 24,642,801 New Options on the basis of one (1) New Option for every five (5) Shares held on the Record Date at an issue price of 1 cent per New Option, to raise up to \$246,428;

"**Share**" means an ordinary fully paid share in the capital of the Company;

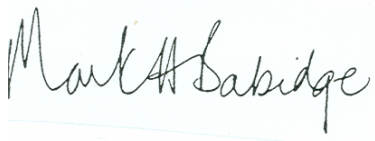
"**Shortfall**" means shortfall in subscription of New Options pursuant to this Prospectus; and

"**Shortfall Options**" means New Options not taken up by Existing Shareholders pursuant to their Entitlements.

Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

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

Dated: 18 September 2008

A handwritten signature in black ink that reads "Mark Babidge". The signature is written in a cursive style and is positioned above a thin horizontal line.

Signed for and on behalf of Eneabba Gas Limited
by Mark Babidge
Managing Director