

FISSION ENERGY LIMITED

ACN 119 057 457

For a non renounceable entitlement issue of 1 Option for every 2 Shares held by Shareholders as at 5.00pm WST on Wednesday 8 August 2007 at an issue price of \$0.01 per Option to raise approximately \$285,000 (before expenses of the Issue). Each Option is exercisable at an exercise price of 20 cents at any time on or before 28 February 2011.

The Issue is fully underwritten by Taylor Collison Limited.

OPTION ENTITLEMENT ISSUE SHORT FORM PROSPECTUS

THE OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

IMPORTANT NOTICE

This Prospectus is a short form prospectus issued pursuant to section 712 of the Corporations Act 2001. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents the information in which is deemed to be incorporated in this Prospectus.

This document (and those documents incorporated by reference) should be read in their entirety. If you are in any doubt as to the contents of this document (and those documents incorporated by reference) you should consult your stockbroker or other professional adviser without delay.

TABLE OF CONTENTS

1. **Corporate Directory**
2. **Chairman's Letter**
3. **Key Points and Timetable**
4. **Details of the Issue**
5. **Information Deemed to be Incorporated in this Prospectus**
6. **Company Information**
7. **Additional Information**
8. **Material Contracts**
9. **Authority of Directors**
10. **Definitions**

IMPORTANT NOTICE

This Prospectus is dated 30 July 2007.

A copy of this Prospectus was lodged with the ASIC on 30 July 2007. The ASIC and the ASX take no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Options on the ASX.

This Prospectus contains an offer to Shareholders of the Company as at 5.00pm WST on the Record Date whose registered addresses are in Australia and New Zealand ("Qualifying Shareholders"), and has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. Distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make the Offer. No action has been taken to register this Prospectus or the Options, or to otherwise permit an offering of the Options, in any jurisdiction outside of Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. A personalised Entitlement and Acceptance Form will accompany the copy of the Prospectus which will be mailed to all Qualifying Shareholders.

Qualifying Shareholders should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Options. There are risks associated with an investment in the Company and the Options offered under this Prospectus must be regarded as a speculative investment. It is important Qualifying Shareholders consider the risk factors set out in section 11 of the IPO Prospectus (which is incorporated by reference into this Prospectus) (refer to section 5.2.1 of this Prospectus) which could adversely affect the financial performance of the Company or the value of an investment in Options of the Company. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment or the future value of the Options.

Definitions and Abbreviations

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 10 of this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the

information that is generally required to be set out in a document of this type. Rather, this Prospectus incorporates by reference information contained in other documents that have previously been lodged with the ASIC.

This Prospectus incorporates by reference the documents listed in Section 5 of this Prospectus, being certain sections of the prospectus lodged by the Company with ASIC on 11 April 2007 (**IPO Prospectus**), and ASX releases dated 14 June 2007 (the **ASX Releases**). These can be viewed at the Company's website – www.fissionenergy.com.au.

In referring to relevant sections of the IPO Prospectus and the ASX Releases, the Company:

- (1) identifies those sections of the IPO Prospectus and the ASX Releases as being relevant to the offer of Options under this Prospectus and containing information that Qualified Shareholders and their professional advisers would reasonably require to make an informed assessment of:
 - (a) the rights and liabilities attaching to the Options; and
 - (b) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (2) refers Qualified Shareholders and their professional advisers to Section 5 of this Prospectus which summarises the information in the sections of the IPO Prospectus and the ASX Releases deemed to be incorporated in this Prospectus;
- (3) informs Qualified Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the IPO Prospectus and the ASX Releases by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (4) advises that the information in the IPO Prospectus and the ASX Releases will be primarily of interest to Qualified Shareholders and their professional advisers or analysts.

Disclaimer

No person is authorised to give any information or to make any representation in connection with this Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company (or its Directors or advisers) in connection with this Issue.

1. CORPORATE DIRECTORY

DIRECTORS

Greg H. Solomon, LLB(Executive
Chairman)

Douglas H. Solomon, B.Juris LLB (Hons)
(Non-executive)

Guy T. LePage, B.A, B.Sc. (Hons),
M.B.A, FFIN, MAusIMM
(Non-executive)

COMPANY SECRETARY

Raymond F. Buscall

REGISTERED OFFICE

Level 40 Exchange Plaza
2 The Esplanade
Perth, Western Australia

Tel: +61-8-9282-5889

Fax: +61-8-9282-5866

e-mail:

mailroom@fissionenergy.com.au

website: www.fissionenergy.com.au

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia

Tel: +61-8-9389-8033

Fax: +61-8-9389-7871

SOLICITORS

Solomon Brothers
Level 40 Exchange Plaza
2 The Esplanade
Perth, Western Australia

Tel: +61-8-9282-5888

Fax: +61-8-9282-5855

UNDERWRITER

Taylor Collison Limited
Level 2, 12 Pirie Street
Adelaide, South Australia

Tel: +61-8-8217-3900

Fax: +61-8-8231-3506

2. CHAIRMAN'S LETTER

Dear Shareholder

The Board is pleased to offer Qualifying Shareholders the opportunity to participate in a pro-rata 1 for 2 non-renounceable entitlement issue of Options. The Board foreshadowed its intention to make this non-renounceable entitlement issue of Options in its IPO Prospectus.

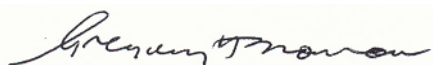
All Shareholders registered as at 5.00 pm WST on the Record Date whose registered addresses are in Australia and New Zealand are entitled to participate in the entitlement issue of Options, on the basis of 1 Option for every 2 Shares held.

Each Option is exercisable at a price of 20 cents, at any time on or before 28 February 2011.

The Company will apply to ASX for Official Quotation of the Options.

The Board takes this opportunity to thank Shareholders for their support since listing and looks forward to your continued support in the future.

Yours faithfully



Gregory H. Solomon

Chairman

3. KEY POINTS AND TIMETABLE AND IMPORTANT DATES

KEYPOINTS	
Option Issue Price -	\$0.01 per new Option
Shareholder Entitlement -	1 new Option for every 2 Shares held on the Record Date
Approximate number of Options to be issued pursuant to this Issue -	28,500,000
Approximate amount to be raised pursuant to this Issue (before expenses of the Issue) -	\$285,000

EVENT	DATE
Prospectus lodged with ASIC	30 July 2007
Prospectus and Appendix 3B lodged with ASX	31 July 2007
Notice in relation to the Issue dispatched to Shareholders	1 August 2007
"Ex" date	2 August 2007
Record date for determining entitlements to Options	8 August 2007
Opening Date	13 August 2007
Dispatch of Prospectus	13 August 2007
Closing Date	31 August 2007
Securities quoted on a deferred settlement basis	3 September 2007
Company notifies ASX of under subscriptions	4 September 2007
Deferred settlement trading ends and dispatch date	6 September 2007

* These dates are all subject to change and are indicative only. The Company together with the Underwriter reserve the right, subject to the Corporations Act and the Listing Rules, to amend any of the above dates. Without limitation, the Directors may extend the Closing Date, or withdraw this Issue and Prospectus, at any time without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of the Options.

4. DETAILS OF THE ISSUE

4.1 The Issue

The Company is making a pro-rata non-renounceable entitlement issue to Shareholders who are registered as at 5.00 pm WST on 8 August 2007 (Record Date) and whose registered addresses are in Australia and New Zealand (Qualifying Shareholders) of up to 28,500,000 Options at an issue price of \$0.01 each to raise approximately \$285,000 (before costs of the Issue). Each Option is exercisable at an exercise price of 20 cents, at any time on or before 28 February 2011.

Up to an additional 7,500,000 Options will be issued under this Prospectus (raising up to a further \$75,000) if any of the Unlisted Options are exercised prior to the Record Date. The maximum number of Options which could therefore be issued under this Prospectus is 36,000,000.

The Options will be offered on the basis of one (1) Option for every two (2) Shares held at the Record Date.

This Offer is made on a non renounceable basis such that Qualifying Shareholders may not sell or transfer all or any part of their entitlement to Options.

4.2 Purpose of the Issue

The purpose of the Issue is to reward Shareholders who have held their Shares in the Company since its listing on the Official List of ASX.

The funds raised by the Issue of approximately \$285,000 (before expenses) will be used to fund the costs of this Issue and to supplement the Company's general working capital.

The Directors believe, based on the information available to them, that the Company will be able to pay its debts as and when they fall due, and carry out the objectives stated in its IPO Prospectus.

4.3 Entitlement

Shareholders who, at 5pm WST on the Record Date, are registered as the holders of Shares, and whose registered addresses are in Australia or New Zealand, will be entitled to participate in this Rights Issue.

The number of Options to which each Qualifying Shareholder is entitled is shown on the personalized Entitlement and Acceptance Form which accompanies this Prospectus.

In the calculation of Entitlements, fractions will be rounded up to the nearest whole number. Holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

4.4 Action Required

If you wish to take up all or part of your Entitlement, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out on the back of the form and deliver it, with the appropriate payment, by no later than 5.00pm WST on the Closing Date, to:

Fission Energy Ltd
c/- Advanced Share Registry Services
PO Box 1156, Nedlands WA 6909

OR

Fission Energy Ltd
c/- Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Cheques (drawn on and payable at any Australian bank) should be made payable to "Fission Energy Limited – Option Issue" and crossed "Not Negotiable". Payment can also be made by money order.

If you apply for more Options than your Entitlement, you will be deemed to have applied for your Entitlement and the payment tendered for the additional number of Options will be refunded to you, without interest.

If you do not wish to take up any of your Entitlement, you do not need to take any action. If you take no action, your Entitlement to the Options will lapse on the Closing Date.

Options will only be issued on receipt of an Entitlement and Acceptance Form which was issued together with this Prospectus. A completed and lodged Entitlement and Acceptance Form, together with payment for the number of Options applied for, cannot be withdrawn and constitutes a binding application for the number of Options specified in the Entitlement and Acceptance Form on the terms set out in this Prospectus. The Entitlement and Acceptance Form does not need to be signed to be binding.

An Entitlement and Acceptance Form which does not specify an Australian or New Zealand address for service (or which is accompanied by payment drawn on a foreign bank account) may be rejected and returned unless Shareholders provide evidence which satisfies the Company that the issue of the Options will not contravene the laws of any other jurisdiction.

No brokerage or stamp duty is payable by Qualifying Shareholders on the issue of the Options.

If an Entitlement and Acceptance Form is not completed correctly the Company can reject it or treat it as valid. The Company's decision as to whether to reject the Entitlement

and Acceptance Form or treat it as valid and how to construe, amend or complete it is final.

4.5 Closing Date

The Closing Date for the Issue is 5.00pm WST on 31 August 2007. The Directors may extend the Closing Date by notice given at any time prior to the Closing Date. The date the Options are expected to commence trading on ASX may vary with any change to the Closing Date.

4.6 Application money held in Trust

Until the Options are issued, all application moneys received by the Company for the Options offered by this Prospectus will be held in trust in a bank account maintained solely for the purpose of depositing application moneys received under this Prospectus. All application moneys will be refunded (without interest) if this Issue is withdrawn or otherwise does not proceed for any reason.

4.7 Issue of Options

The Options will be issued and holding statements dispatched as soon as practicable after the Closing Date.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

4.8 Minimum Subscription

There is no minimum subscription.

4.9 Oversubscriptions

Oversubscriptions will not be accepted.

4.10 Terms and Conditions of Options

The Options being issued pursuant to this Prospectus are being issued on the same terms and conditions as the 12,500,000 Unlisted Options currently issued to Tasman.

The terms and conditions of the Options the subject of this Prospectus (and the Unlisted Options held by Tasman) are as follows:

- 1) The Options are exercisable at any time prior to 5.00pm WST 28 February 2011 (the Expiry Date). Options not exercised on or before the Expiry Date will automatically lapse.
- 2) The Options may be exercised wholly or in part by completing a notice of exercise of options in a form approved by the Company (Notice of Exercise) to be delivered to the Company's registered office and received by it any time prior to the Expiry Date. A summary of the terms and conditions of the Options including the Notice of Exercise will be sent to all holders of Options when the Options are issued.
- 3) The Options entitle the holder to subscribe (in respect of each Option held) for one fully paid ordinary Share at an exercise price per Option of 20 cents.
- 4) Upon the exercise of the Options and receipt of all relevant documents and payment, Shares will be issued ranking pari passu with the then issued Shares. If at the date of

exercise of the Options the Shares of the Company are quoted on the ASX, the Company will apply to ASX to have the Shares so issued granted Official Quotation.

- 5) Any Notice of Exercise received by the Company on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received.
- 6) There are no participating entitlements inherent in the Options to participate in new issues of capital, which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 10 Business Days before the Record Date (as defined in the Listing Rules to determine entitlements to the issue), to exercise Options.
- 7) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on holders of Options which are not being conferred on Shareholders and (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), in all respects, the terms for the exercise of Options shall remain unchanged. For these purposes, the rights of the Option Holder may be changed from time to time to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganization.
- 8) The Options may be transferred at any time prior to the Expiry Date.
- 9) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise.

In addition to the 12,500,000 Unlisted Options on issue to Tasman, the Company has on issue 1,000,000 Unlisted Options to Taylor Collison Limited (these Options have been issued on the same terms and conditions as set out above save and except that they have an expiry date of 18 June 2010) and 1,500,000 Unlisted Options under its ESOP to three employees of Tasman. A summary of the terms and conditions of the Options issued under the ESOP are set out in section 13.12 of the IPO Prospectus (which is deemed to be incorporated herein).

4.11 Underwriting

The Issue is being fully underwritten by Taylor Collison Limited (Underwriter). The material terms of the Underwriting Agreement are set out in Section 8.1 of this Prospectus.

4.12 ASX Quotation

Application to ASX for admission of the Options to be issued under this Prospectus to Official Quotation will be made by the Company within seven (7) days of the date of this Prospectus. If the Options are not admitted to Official Quotation on ASX within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Options offered by this Prospectus will be granted. In that circumstance, all applications will be dealt with in accordance with Section 724 of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may approve quotation of the Options is not to be taken in any way as an indication of the merits of the Company or the Options offered pursuant to this Prospectus.

4.13 Overseas Shareholders

This Prospectus contains an offer to Shareholders as at 5.00pm WST on the Record Date whose registered addresses are in Australia or New Zealand only.

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. In making the Issue available to Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2002 (NZ)*, by virtue of which this Prospectus is not required to be registered in New Zealand.

This Prospectus and the accompanying Entitlement and Acceptance Form does not, and is not intended to, constitute an offer of Options in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Entitlement and Acceptance Form. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Entitlement and Acceptance Form (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of Options in any place in which, or to any person to whom, it would not be lawful to do so. No action has been taken to register the Options or this Prospectus or otherwise permit an offering of the Options or the Entitlements in any jurisdiction outside of Australia or New Zealand. Without limitation, the Entitlements and the Options have not been, and will not be, registered under the *US Securities Act 1993 (as amended)* or the securities laws of any State of the United States and may not be offered in the United States or to, or for the account of or benefit of, US persons.

Accordingly, this Issue is not extended to, and no Options will be issued to, Shareholders having registered addresses outside Australia and New Zealand.

The Company is of the view that it is unreasonable to extend this Issue to Shareholders with registered addresses outside Australia and New Zealand (hereinafter called "Foreign Shareholders"). The Company has formed this view having regard to:

1. the number of Foreign Shareholders in the places where each offer would need to be made;
2. the number and value of Options which would be offered to Foreign Shareholders; and
3. the costs of complying with the legal requirements, and requirements of a regulatory authority, of the foreign jurisdictions.

Accordingly, this Issue is not being extended to Foreign Shareholders, and no Entitlement and Acceptance Form will be sent to them. However, in compliance with Listing Rule 7.7.1, the Company will send each Foreign Shareholder details of this Issue and advise them that the Company will not offer Options to them.

4.14 Enquiries

If you have any questions concerning your Entitlement, please contact Taylor Collison Ltd (attention Daniel Eddington) by telephone on (+618) 8217 3900 or facsimile on (+618) 8231 3506 or Fission (attention Greg Solomon) by telephone on (+618) 9282 5889 or facsimile on (+618) 9282 5866, or your professional adviser.

4.15 Privacy Statement

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Prospectus.

As Qualifying Shareholders are already Shareholders of the Company, the Company and its share registry (Advanced Share Registry) have already collected certain personal information from Qualifying Shareholders. However, if Qualifying Shareholders apply for Options pursuant to this Prospectus, they will be supplying new, additional or updated personal information (by its inclusion on the Entitlement and Acceptance Form) to Advanced Share Registry.

The information included on the Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer your holding of Shares and Options. By submitting an Entitlement and Acceptance Form, you agree that the Company may use the information provided by you on the Entitlement and Acceptance Form for the purposes set out in this privacy statement and may disclose it for those purposes to the Company's share registry and to the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses, professional advisers (e.g. auditors, lawyers and accountants), intellectual technology support providers and to other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder and Optionholder (including name, address and details of the Shares and Options held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder and/or Optionholder. Information contained in the Company's register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

Under the Privacy Act, Shareholders and Optionholders have a right to gain access to personal information that the Company holds about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Entitlement and Acceptance Form.

5. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

5.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in other documents that have been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is certain sections of the IPO Prospectus and the ASX Releases. The information to be incorporated by reference into this Prospectus is summarised below in section 5.2 below and will primarily be of interest to Qualifying Shareholders and their professional advisers or analysts.

The Company informs Qualifying Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the IPO Prospectus and the ASX Releases during the Offer Period by contacting the Company at its registered office during normal business hours.

The IPO Prospectus and the ASX Releases will also be available by searching ASIC's records in relation to documents lodged by the Company, or by visiting the Company's website at www.fissionenergy.com.au.

5.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in certain sections of the IPO Prospectus and the ASX Releases that is deemed to be incorporated in this Prospectus to assist Qualifying Shareholders and their professional advisers to determine whether they should obtain a copy of these documents for the purposes of making an informed investment decision in relation to the Options of the Company and the Issue.

5.2.1 The IPO Prospectus

The sections referred to below are a reference to sections in the IPO Prospectus lodged by the Company with ASIC on 11 April 2007. The IPO Prospectus was fully oversubscribed. The Company issued 30,000,000 Shares under the IPO Prospectus raising \$6,000,000, before the expenses of that offer. The Company was admitted to the Official List of the ASX on 14 June 2007 and Official Quotation of the Company's Shares commenced on 18 June 2007.

Section 3 – Details of the Offer

This section contains general information pertaining to the offer of Shares made under the IPO Prospectus.

Section 4 – Details of the Directors

This section contains information about each of the three directors of the Company, namely Gregory Howard Solomon, Douglas Howard Solomon and Guy Touzea Le Page.

Section 5 – Project/Investment Review

This section contains a summary of the Company's general objectives and of the interests which it holds in a number of exploration licences and exploration licence applications and a summary of the proposed expenditure budget of the Company for the first two years after listing on the ASX.

Section 6 – Independent Geological Consultant's Report on South Australian Tenements

This section contains a report prepared by David Tonkin & Associates on twelve exploration properties located in South Australia (comprising 11 exploration licences and 1 exploration licence application).

Section 7 - Independent Geological Consultant's Report on Western Australian Tenements

This section contains a report prepared by Al Maynard & Associates on the geology and exploration potential of 9 uranium projects (exploration licence applications) in Western Australia.

Section 8 - Independent Solicitor's Report on South Australian Tenements

This section contains a report prepared by Minter Ellison to advise on the status of certain exploration licences and applications for exploration licences in South Australia which the Company holds an interest in pursuant to an agreement with Tasman dated 2 April 2007, to advise on the effect of any registered dealings and any unregistered dealings which may affect the Company's interests in the said tenements and to conduct searches and summarise the effect upon the said tenements of any registered native title claims over the subject land.

Section 9 - Solicitor's Report on Western Australian Tenements

This section contains a report prepared by Solomon Brothers to outline the rights conferred by the exploration licences applied for by the Company in Western Australia.

Section 10 – Investigating Accountant's Report

This section contains a report prepared by Bentleys MRI Perth on the Balance Sheet of the Company as at 31 December 2006 and the Pro-forma Balance Sheet of the Company as at 31 December 2006 assuming completion of certain assumed transactions.

Section 11 – Risk Factors

This section notes that an investment in the Company has risks reasonably expected of an investment in a business of its type and summarizes a number of the key risks. It details a number of factors that may impact on the success and future profitability of the Company including risks specific to an investment in the Company, such as (but not limited to) regulation of the uranium mining industry, nuclear power and its competition with other energy sources, operating risks, production risks, operating hazards and risks, inability to obtain adequate insurance, commodity price volatility and exchange rate fluctuations, tenement title and native title risks, environmental

accidents and remediation, inability to meet or satisfy current and additional capital requirements, absence of formal valuation of the Company's tenements or Shares, breaches of contractual arrangements, key relationship breakdowns, regulatory matters and risk of prosecution and litigation, limited operating history, energy prices and environmental impact constraints. In addition, it summarises the risks associated with any share investment, including without limitation, share market conditions and general political and economic conditions.

Section 12 – Effect on Capital Structure

This section contains a summary of the capital structure of the Company following the offer of Shares under the IPO Prospectus.

Section 13 – Additional Information

This section sets out additional information which was required to be disclosed in the IPO Prospectus, including:

- in section 13.1, a summary of the rights attaching to the Shares under the Company's Constitution;
- in section 13.2, a summary of the rights attaching to the 12,500,000 Unlisted Options held by Tasman;
- in section 13.3, a summary of the material contracts to which the Company is a party (and being a management services contract with Princebrook Pty Ltd, an agreement with Tasman dated 2 April 2007, a deed of covenant with WCP Resources Ltd dated 2 April 2007 and the engagement of Taylor Collison Ltd dated 26 March 2007 to act as brokers to the issue under the IPO Prospectus);
- in section 13.4, a summary of the interests held by the Directors in the Company, including their shareholding and option holding in the Company (and being, at the date of the IPO Prospectus, nil) and in Tasman, their remuneration, rights of indemnity and insurance and other interests;
- in sections 13.5 and 13.6, information about those persons who consented to being named, or to having reports which they prepared included, in the IPO Prospectus, namely Solomon Brothers, David Tonkin & Associates, Al Maynard & Associates, Minter Ellison, Bentleys MRI Perth and Taylor Collison, and a summary of each of their interests;
- in section 13.7, a summary of the approximate expenses of the offer contained in the IPO Prospectus;
- in section 13.8, a statement as to the taxation consequences of acquiring Shares under the IPO Prospectus;
- in section 13.9, a statement as to the exposure period that applied to the IPO Prospectus;
- in section 13.10, information relating to the issue of an electronic version of the IPO Prospectus;
- in section 13.11, a statement that the Company was not involved in any litigation proceedings; and
- in section 13.12, a summary of the terms and conditions of the Company's ESOP.

Section 14 – Glossary Names and Terms

This section contains a summary of the defined terms used throughout the IPO Prospectus.

Section 15 – Glossary of Technical Terms and Abbreviations

This section contains a summary of the defined technical terms and abbreviations used throughout the IPO Prospectus.

Section 16 – Consent by Directors

This section contains confirmation that the issue of the IPO Prospectus was authorised by all the Directors

5.2.2 ASX Releases

Date / Time	Announcement
14 June 2007	Pre-quotation disclosure re: exploration licences (this announcement contains an update as to the status of a number of exploration licence applications, and renewals of existing exploration licences, in South Australia, by Primary Industries and Resources South Australia)
14 June 2007	Amended exploration budget for granted tenements (this announcement contains a summary of the proposed expenditure budget of the Company for the first two years after listing on the ASX on granted tenements, project evaluation and acquisitions, issue costs and administration)

Other than as stated in this Prospectus and other than as disclosed in the ASX Releases, the Company is not aware of any material matter or circumstance which has arisen since the date of the IPO Prospectus that would impact upon the information therein disclosed or on the activities or prospects of the Company and that would be relevant to assist Qualifying Shareholders or their professional advisers making an informed assessment of the Options being offered for subscription under this Prospectus.

6. COMPANY INFORMATION

6.1 Listing on ASX and Current Activities

The Company was admitted to the Official List of ASX on 14 June 2007 and Official Quotation of its Shares commenced on 18 June 2007.

A comprehensive overview of the Company, and the interests which it has in exploration licences and exploration licence applications in Western Australia and South Australia (and legal and geological reports thereon) is contained in the IPO Prospectus, which is deemed to be incorporated in this Prospectus by reference. Persons considering subscribing for Options under this Prospectus should refer to Section 5.2.1 of this Prospectus for a summary of the information contained in the IPO Prospectus and may wish to obtain a copy of such document from the Company or from its website, www.fissionenergy.com.au.

As set out in the ASX release "Amended Exploration budget for granted tenements" dated 14 June 2007 (which is deemed to be incorporated into this Prospectus by reference) (see section 5.2.2 of this Prospectus), the Company has a proposed exploration budget on granted exploration licences in which it holds an interest of \$2,620,000 for the first 24 months from listing on the ASX (the budget contained in this ASX release supercedes the budget contained in section 5.4 of the IPO Prospectus). A proportion of the exploration expenditure included in this budget will be diverted to exploration of the licences it has applied for in Western Australia if and when they are granted. Given the speculative nature of the Company's business, the intended allocation of funds may change depending on market conditions and the results obtained from exploration programs.

The Company proposes to commence drilling at the Frasers prospect within the Parkinson Dam project in South Australia (refer to section 5.3.1 of the IPO Prospectus) in early August. Fission has recently identified a number of potential tertiary palaeochannel uranium targets at the Frasers prospect situated in the western portion of the project area. The potential source of the uranium is extensive, outcropping relatively uranium-rich Gawler Range Volcanics, and the inferred palaeochannels are part of a larger system recently documented by Primary Industries and Resources SA.

The Company has entered into negotiations with the Antakirinja native title claimants regarding a Section 9B Agreement which will enable drilling to proceed in the Wynbring and Garford project areas in South Australia. Heritage surveys over the proposed drill targets are anticipated to take place in August. Subject to the Company obtaining all necessary permits, drilling at Wynbring will commence later in the month.

In Western Australia, regional heritage agreements have been signed for four of the exploration licence applications.

The Company has engaged the services of consulting geologist Mr Mark Dunn (Geoquest Pty Ltd). Mark Dunn has over 20 years exploration experience including 12 years in uranium, a substantial portion of which has been with former uranium explorer PNC Exploration (Australia) Pty Ltd searching for palaeochannel hosted uranium mineralization in South Australia.

The ELA applied for by the Company (No. 45/2997) at Mt Sears Range in Western Australia was not recommended for grant and has lapsed. The Company has applied for a new exploration licence over the same area as the previous exploration licence (EL45/5101).

Whilst the Company expects this exploration licence application to also not be recommended for grant, the Company intends to pursue the avenues of objection open to it.

6.2 Escrow of Securities

Pursuant to the ASX Listing Rules, a number of the securities issued pursuant to the IPO Prospectus are subject to escrow restrictions. Details of the securities subject to escrow and the relevant period of escrow is set out below:

	Shares	Unlisted Options
Restricted for 24 months from quotation	25,900,000	13,500,000
Restricted for 12 months from issue (i.e. until 14 March 2008)	100,000	Nil

6.3 Capital Structure

As at the date of this Prospectus, the Company has on issue:

- (a) 57,000,000 Shares; and
- (b) 15,000,000 Unlisted Options.

In addition:

- (1) the Company has agreed to issue 200,000 Options to Geoquest Pty Ltd, a consulting geologist engaged by the Company, under its ESOP (100,000 Options to be issued after the first 12 months and 100,000 Options to be issued after the second 12 months), each exercisable at 20 cents at any time after they have issued and prior to 31 March 2011; and
- (2) the Company has resolved, subject to receiving shareholder approval at an extraordinary general meeting of the Company to be convened shortly (and as foreshadowed in the IPO Prospectus), to issue 1,000,000 Options to each of its current directors in consideration of services which they have provided, and will subsequently provide, to the Company. These Options will be issued on the same terms and conditions as the Options to be issued under this Prospectus.

Up to approximately 28,500,000 Options will be issued under this Prospectus. The exact number of Options to be issued will not be known due to rounding entitlements to fractional Options (entitlements to Options will be rounded-up to the nearest whole number).

The holders of all of the Unlisted Option may participate in this Issue by exercising any or all of their Unlisted Options prior to the Record Date.

The capital structure of the Company following completion of the Issue is summarised below (on the assumption that none of the current Unlisted Options are exercised before the Record Date and the Offer is fully subscribed (either by Qualifying Shareholders accepting their Entitlements in full under this Prospectus or any shortfall being issued to the Underwriter)), are as follows:

- (a) 57,000,000 Shares;
- (b) 43,500,000 Options.

6.4 Pro-Forma Balance Sheet

The unaudited Pro Forma Balance Sheet of the Company as at 31 December 2006 shown below has been prepared to reflect the changes to the Company's financial position as a result of the Issue.

The unaudited Balance Sheet and the unaudited Pro Forma Balance Sheet have both been prepared on the following assumptions:

- (a) that the issue to Tasman of 24,999,999 Shares at 0.001 cent and the issue to seed capital investors of 2,000,000 Shares at 10 cents was completed on 31 December 2006;
- (b) that the IPO was completed on 31 December 2006 (the IPO raised \$6,000,000 and the costs of the IPO were approximately \$350,000).

The unaudited Pro Forma Balance Sheet has also been prepared on the following assumptions:-

- (c) the Issue was completed on 31 December 2006 and a total of 28,500,000 Options are issued pursuant to this Prospectus (raising \$285,000);
- (d) the estimated expenses of the Issue will be \$40,000.00.

Pro Forma Balance Sheet

	Unaudited 31 December 2006 [IPO Completed]	Unaudited Pro Forma 31 December 2006
CURRENT ASSETS		
Cash and Cash Equivalents	5,850,251	6,095,251
Total Current Assets	5,850,251	6,095,251
NON-CURRENT ASSETS		
Deferred Exploration Expenditure	21,570	21,570
Total Non-Current Assets	21,570	21,570
TOTAL ASSETS	5,871,821	6,116,821
CURRENT LIABILITIES		
Trade and other Payables	22,785	22,785
Total Current Liabilities	22,785	22,785
TOTAL LIABILITIES	22,785	22,785
NET ASSETS	5,849,036	6,094,036
EQUITY		
Contributed Equity	5,850,251	6,095,251
Accumulated Profits/(Losses)	(1,215)	(1,215)
TOTAL EQUITY	5,849,036	6,094,036

6.5 Dividends

The Board is not able to indicate when and if dividends will be paid in the future, as payment of any dividend will depend on the future profitability, financial position and cash requirements of the Company.

6.6 Board of Directors

A summary of the qualifications and experience of the Directors is contained in section 4 of the IPO Prospectus, which is referred to in Section 5.2.1 of this Prospectus and deemed to be incorporated in this Prospectus.

6.7 Market Prices of Shares

Official Quotation of the Company's Shares commenced on 18 June 2007 and, consequently, the trading history on ASX as at the date of this Prospectus is limited to that period.

The highest and lowest recorded closing market sale prices of the Company's Shares on ASX during the period from commencement of Official Quotation to the last day that trading took place in the Shares prior to the date of this Prospectus were 29.5 cents on 18 June 2007 and 18.5 cents on 11 July 2007 respectively.

The last market sale price of the Company's Shares on ASX on the last day that trading took place in these Shares prior to the date of this Prospectus was 19.5 cents on 27 July 2007.

The Company has no Options currently quoted on the ASX.

7. Additional Information

7.1 Rights attaching to Shares upon Conversion of Options

Full details of the rights attaching to Shares are set out in the Company's Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of the shareholders of the Company:

- (i) each shareholder entitled to attend and vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote (save that where a shareholder has appointed more than one person as proxy, attorney or representative, none of the proxies, attorneys or representatives is entitled to vote, and where a shareholder is present in more than one capacity, that shareholder is entitled only to one vote); and
- (iii) on a poll, every person present who is a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share (but in respect of partly paid shares, shall have such number of votes as bears the same proportion of the amount paid up (not credited) or agreed to be considered as paid up on the total issue price of that share at the time the poll is taken bears to the total issue price of the share).

(b) Rights on Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none) and the Constitution of the Company, on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of shares held by them, irrespective of the amount paid-up or credited as paid up on the shares.

(c) Transfer of Shares

Subject to the constitution of the Company, the Corporations Act and any other laws and the Listing Rules, Shares are freely transferable.

(d) Future Increases in Capital

The allotment and issue of any Shares is under the control of the Board. Subject to the requirements of the Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(e) Variation of Rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the sanction of a special resolution of the Company and with the consent in writing of the holders of three-quarters of the issued shares of that class or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(f) Dividend Rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company that the Directors determine to distribute by way of dividend are divisible among the holders of ordinary Shares and is payable on each Share on the basis of the proportion which the amount paid is of the total amounts paid, agreed to be considered to be paid or payable on the Share. No amount paid on a Share in advance of calls is to be treated as paid on that Share.

(g) ASX

Notwithstanding anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act shall not be done. Nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done. 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). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.2 **Taxation**

It is the responsibility of all Qualifying Shareholders to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Options in the Company.

7.3 **Legal Proceedings**

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.4 **Continuous Disclosure and Documents Available for Inspection**

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

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

7.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has, or during the last two years has had, an interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer;
- the offer of Options under this Prospectus (other than in their capacity as a Shareholder),

and no amounts (whether in cash or shares or otherwise) have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any Director, either:

- to induce him or her to become, or to qualify him or her as, a director, or:
- otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

The interests of the Directors and their related parties in the securities of the Company at the date of this Prospectus are as follows:

Directors	Shares	Unlisted Options (Note 1)
Gregory Howard Solomon	400,000	Nil
Douglas Howard Solomon	250,000	Nil
Guy Le Page	150,000	Nil

Note (1) The Company proposes, subject to receiving Shareholder approval at an extraordinary general meeting to be convened shortly to issue 1,000,000 Options to each of its Directors in consideration of services which they have provided, and will subsequently provide, to the Company.

To the extent that the Directors or their related parties are Shareholders registered as at the Record Date, they presently intend to subscribe for their full Entitlement to Options pursuant to this Prospectus.

A full disclosure of the remuneration, directors and officers indemnity and insurance and other interests of the Directors are set out in section 13.4 of the IPO Prospectus (which is deemed to be incorporated herein). That information and disclosure remains current.

7.6 Interests of Experts

Other than as set out below or elsewhere in this Prospectus, all other persons named in this Prospectus as having performed services in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have and have not had during the last two years before the date of this Prospectus, an interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the offer of Options under this Prospectus,

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 those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of Options under this Prospectus.

A full disclosure of the interests of the persons 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, for the period commencing on the incorporation of the Company to the date of issue of the IPO Prospectus, are set out in section 13.5 of the IPO Prospectus (which is deemed to be incorporated herein). Other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

Solomon Brothers have acted as Solicitor to the Company in relation to the Offer. The Company estimates it will pay Solomon Brothers \$15,000 (exclusive of goods and services tax and disbursements) for these services. The professional fees received by Solomon Brothers in connection with the IPO Prospectus are set out in section 13.5 thereof. In addition, Solomon Brothers has received, and may in the future receive, legal fees for legal advice provided to the Company and its related bodies corporate in the normal course of business.

Taylor Collison Limited has acted as Underwriter to the Offer. The Underwriter will receive an underwriting fee of \$1.00 (upon request). Taylor Collison Limited acted as Broker in relation to the IPO Prospectus. Taylor Collison Limited received in relation to these services, a management and handling fee of \$185,000, and, in addition to this sum, received 1,000,000 Unlisted Options.

Advanced Share Registry Services is the Company's Share Registry and will be paid for these services on normal commercial terms.

7.7 Consents

The following persons have consented to the inclusion of the following statements and reports identified in this Prospectus as being statements and reports made by that person, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with the ASIC:

- (1) David Tonkin & Associates – the Independent Geological Consultant's Report on South Australian Tenements set out in section 6 of the IPO Prospectus and the reference in this Prospectus to that report;

- (2) Al Maynard & Associates – the Independent Geological Consultant's Report on Western Australian Tenements set out in section 7 of the IPO Prospectus and the reference in this Prospectus to that report;
- (3) Minter Ellison – the Independent Solicitor's Report on South Australian Tenements set out in section 8 of the IPO Prospectus and the reference in this Prospectus to that report;
- (4) Solomon Brothers – the Solicitor's Report on Western Australian Tenements set out in section 9 of the IPO Prospectus and the reference in this Prospectus to that report; and
- (5) Bentleys MRI Perth – the Investigating Accountant's Report set out in section 10 of the IPO Prospectus and the reference in this Prospectus to that report and to the unaudited balance sheet of the Company as at 31 December 2006 which was included in that report.

To the maximum extent permitted by law, the persons referred to above expressly disclaim and take no responsibility for any part of this Prospectus other than the reports referred to above and the statements identified in this Prospectus as being made by that person.

The following persons have consented to being named in the Prospectus but have not made any statements that are included in the Prospectus or statements identified in this Prospectus as being based on any statements made by those persons and take no responsibility for any part of the Prospectus other than their consent to be named in the Prospectus (other than to the extent set out above), and have not withdrawn their consent before the lodgement of this Prospectus with the ASIC:-

- (1) Taylor Collison as Underwriters to the Issue;
- (2) Solomon Brothers as Solicitors to the Company; and
- (3) Advanced Share Registry Services as the Company's Share Registry.

7.8 Expenses of the Issue

The total expenses of the Issue are estimated to be \$40,000 (exclusive of any GST) comprising the following:

Underwriting Fee	\$ 1.00
Legal Fees	\$15,000.00
ASIC Fees	\$ 2,010.00
ASX Listing Fees	\$12,012.00
Other Expenses	\$10,977.00
Total	\$40,000.00

8. MATERIAL CONTRACTS

8.1 Underwriting Agreement

On 17 July 2007, the Company entered into an underwriting agreement with Taylor Collison Limited (Underwriter) under which the Underwriter agreed to fully underwrite the Offer (Underwriting Agreement).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a fee of \$1.00 (upon request). The Company has also agreed to reimburse the Underwriter for all reasonable costs and expenses incurred in connection with the underwriting to a maximum amount of \$20,000

The Underwriter may enter into sub-underwriting agreements with various third parties.

The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of certain standard events including:

- (a) **(disclosures):**
 - (i) a statement contained in the Prospectus is misleading or deceptive, a material matter is omitted from the Prospectus or the issue of the Prospectus is misleading or deceptive;
 - (ii) the Prospectus does not contain any other material information regarding the Offer which is required by section 712 of the Corporations Act to be contained in the Prospectus;
- (b) **(Supplementary Prospectus)** a supplementary prospectus or a replacement prospectus is, in the reasonable opinion of the Underwriter, required under section 719 of the Corporations Act or a person (other than the Underwriter) give notice to the Company under section 730 of the Corporations Act;
- (c) **(compliance with regulatory requirements):**
 - (i) there is a material contravention by the Company of the Corporations Act, its Constitution, or any of the Listing Rules; or
 - (ii) the Prospectus or any aspect of the Offer breaches the Corporations Act or any other applicable law or regulation in any material respect;
- (d) **(ASX approval)** permission is not granted for the Options to be quoted on the Official List of ASX or if approval is granted the approval is subsequently withdrawn, qualified or withheld;
- (e) **(insolvency)** the Company (or any of its related bodies corporate) is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act;
- (f) **(receiver etc appointed):**
 - (i) a receiver, receiver and manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertakings of the Company (or any of its related bodies corporate); or

- (ii) an application or order is made for the winding-up or dissolution of the Company (or any of its related bodies corporate) or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Company (or any of its related bodies corporate) otherwise than for the purpose of an amalgamation or reconstruction which has the prior consent of the Underwriter;
- (g) **(alteration to capital structure or constitution)** the Company (or any of its related bodies corporate) alters its capital structure or constitution without the prior written consent of the Underwriter;
- (h) **(notifications):**
 - (i) the ASIC issues proceedings in relation to the Offer;
 - (ii) the ASIC issues an order under section 739 of the Corporations Act in relation to the Offer, which is not dismissed or withdrawn by the Closing Date;
 - (iii) an application is made by the ASIC for an order under section 1324B of the Corporations Act in relation to the Prospectus which is not dismissed or withdrawn by the Closing Date; or
 - (iv) any person who has previously consented to the inclusion of its name in the Prospectus (or any Supplementary Prospectus) or to be named in the Prospectus withdraws that consent;
- (i) **(withdrawal)** the Company withdraws the Prospectus or the Offer;
- (j) **(compliance with agreement)** there is a material default by the Company in the performance of any of its obligations under the Underwriting Agreement;
- (k) **(prescribed occurrence)** a prescribed occurrence in relation to the Company (or any of its related bodies corporate) occurs as that expression is defined in section 652C of the Corporations Act but substituting the respective party for "target";
- (l) **(Timetable)** any event specified in the entitlement issue timetable is delayed for more than 5 Business Days (or such later period as agreed by the parties);
- (m) **(material adverse change)** any material adverse change occurs in the assets, liabilities, financial position and performance, profits, losses or prospects of the Company, including any material adverse change in the assets, liabilities, financial position, profits, losses or prospects of the Company (or any of its related bodies corporate) from those respectively disclosed in the Prospectus;
- (n) **(change of law)** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law or a Government Agency adopts or announces to adopt a new policy, any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets;
- (o) **(All Ordinaries Index/Small Ordinaries Index)** the All Ordinaries Index or the Small Ordinaries Index of ASX is 90% or less of the level that Index attained at the close of trading on the Business Day before the date of signing of the Underwriting Agreement;

- (p) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China; or
- (q) **(banking moratorium)** a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries and remains in force for 2 consecutive Business Days, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries which remains in force for 2 consecutive Business Days.

The Underwriting Agreement also contains certain indemnities, representations, warranties and undertakings by the Company, which are standard for an agreement of this nature.

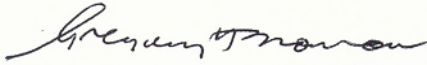
8.2 Other Material Contracts

A summary of the other material contracts to which the Company is a party is contained in section 13.3 of the IPO Prospectus, which is deemed to be incorporated herein (see section 5.2.1 of this Prospectus).

9. AUTHORITY OF DIRECTORS

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

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

A handwritten signature in black ink, appearing to read 'Gregory Howard Solomon', is displayed on a light yellow rectangular background.

**Gregory Howard Solomon
Signed for and on behalf of
FISSION ENERGY LIMITED**

10. DEFINITIONS

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

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

Business Day has the meaning given to that term in the ASX Listing Rules.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means 5.00 pm WST on 31 August 2007.

Company means Fission Energy Limited (ACN 119 057 457).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Dollars or **\$** means Australian dollars unless otherwise stated.

Entitlement means the maximum number of Options you are entitled to apply for under this Prospectus as noted on the Entitlement and Acceptance Form.

Entitlement and Acceptance Form means the entitlement and acceptance form enclosed with this Prospectus.

ESOP means the Company's employee share option plan, the terms and conditions of which are set out in section 13.12 of the IPO Prospectus.

Foreign Shareholder means a person registered as a Shareholder as at the Record Date whose registered address is outside Australia or New Zealand.

IPO means the initial public offering of the Company under the IPO Prospectus.

IPO Prospectus means the prospectus lodged by the Company with the ASIC on 11 April 2007.

Issue means the issue of Options pursuant to this Prospectus.

Offer means the offer of Options pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of ASX.

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

Opening Date means 13 August 2007.

Option means an option to subscribe for a Share in the Company.

Prospectus means this prospectus dated 30 July 2007 for the issue of approximately 28,500,000 Options.

Qualifying Shareholders means all Shareholders as at 5.00pm WST on the Record Date and whose registered addresses are in Australia or New Zealand.

Record Date means the record date for determining entitlements to Options offered under this Prospectus, which is 5.00 pm WST on 8 August 2007.

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

Shareholder means a holder of a Share.

Tasman means Tasman Resources NL A.C.N. 009 253 187

Underwriter means Taylor Collison Ltd.

Unlisted Options means the Options of the Company issued at the date of this Prospectus.

WST means Western Standard Time, Perth, Western Australia.