



**carbonenergy**

Carbon Energy Limited | ABN 56 057 552 137

2 October 2018

ASX Market Announcements Platform  
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Carbon Energy Limited  
ABN 56 057 552 137  
Carbon Energy (Operations) Pty Ltd  
ABN 61 105 176 967

## FOR ASX MARKET RELEASE

### Share Purchase Plan

- Opportunity to purchase additional shares in Carbon Energy at \$0.08 per share under a share purchase plan

Carbon Energy Limited (ASX: CNX) (Carbon Energy or Company) announces a share purchase plan (SPP) for eligible shareholders to raise up to circa \$1.5 million.

Under the SPP, the Company invites eligible shareholders to participate by subscribing for up to \$15,000 of Carbon Energy ordinary shares at \$0.08 per share, without incurring any transaction or brokerage costs.

The right to participate in this SPP is available exclusively to eligible shareholders who are on the Company register at 7:00pm (Sydney time) on 1 October 2018 (Record Date) and having a registered address in Australia or New Zealand. The SPP is targeted to close on 22 October 2018.

To assist with your consideration of this investment, eligible shareholders will be provided with an offer letter, an investor presentation, an investment overview, the SPP terms and an application form (SPP Offer Documents). Copies of the SPP Offer Documents (excluding application forms) are attached to this announcement.

The proceeds raised from this SPP are proposed to be used primarily to fund:

- Carbon Energy's continued pursuit of its commercial strategy to include hydrogen production as a key product along with ammonia and synthetic natural gas;
- Carbon Energy's continued focus on pursuing opportunities of hydrogen production as a key use and commercial strategy for its keyseam® syngas production;
- Carbon Energy's continued development of its keyseam® technology deep coal gasification projects in several countries worldwide, including a 98%<sup>1</sup> CO<sub>2</sub> free hydrogen production project in the Cooper Basin of South Australia and power and hydrogen projects in South Africa;

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<sup>1</sup> Based on average results from concept studies.

- general working capital for the Carbon Energy group, including funding for the Bloodwood Creek rehabilitation and corporate operations; and
- the cost of this SPP issue.

A summary of the SPP offer details is set out below:

<b>Issue Price</b>	\$0.08 per share
<b>Application Amount</b>	Minimum of \$1,000 ( <b>Minimum Application Amount</b> ) with staged increments of \$1,000 up to a maximum of \$15,000
<b>Record Date</b>	7.00pm (Sydney time) on Monday 1 October 2018
<b>Closing Date</b>	5.00pm (Sydney time) on Monday 22 October 2018
<b>Allotment Date</b>	Tuesday 30 October 2018
<b>Quotation Date</b>	Wednesday 31 October 2018

This timetable is indicative only and may be subject to change and subject to the requirements of the Corporations Act and the ASX Listing Rules.

#### **Facility Agreement and Carbon Energy Limited Convertible Notes due 2022 – Note Deed Poll**

Pursuant to the Facility Agreement and Carbon Energy Limited Convertible Notes due 2022 – Note Deed Poll between Kam Lung Investment Development Co Limited (Kam Lung), the Company, Carbon Energy (Holdings) Pty Ltd and Carbon Energy (Operations) Pty Ltd (Facility Agreement and Note Deed Poll respectively), the Company reports that appropriate notice has been provided to, and where applicable confirmation and agreement has been obtained from, Kam Lung with respect to the SPP and any resulting impacts to the Facility Agreement and Note Deed Poll.

#### **Further information**

If you have any questions about the SPP, please contact the offer information line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday.

For and on behalf of the Board

**ENDS**



carbonenergy

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ABN 61 105 176 967

2 October 2018

Dear Shareholder

## Share purchase plan

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On behalf of the board of Carbon Energy Limited ACN 057 552 137 (ASX: CNX) (**Carbon Energy** or **Company**), we are pleased to offer you the opportunity to purchase up to \$15,000 in additional shares in Carbon Energy under this share purchase plan (**SPP**).

The SPP will be available to shareholders who are on the Company register at 7.00pm (Sydney time) on Monday 1 October 2018 (**Record Date**), and have a registered address in Australia or New Zealand (**Eligible Shareholders**).

The SPP gives Eligible Shareholders the opportunity to purchase additional shares in Carbon Energy at \$0.08 per share, which represents a discount of 15.8% to the closing price on Monday 1 October 2018. There are no transaction costs or brokerage costs to participating shareholders.

Included with this letter is the following material which aims to address any questions you may have about the SPP:

- (a) a letter to shareholders from the Chairman and Chief Executive Officer;
- (b) an investor presentation;
- (c) an investment overview, which includes details on pricing, the timetable, intended use of funds, funding for Carbon Energy's commercial strategy and key risks of an investment in the Company;
- (d) SPP terms; and
- (e) an application form.

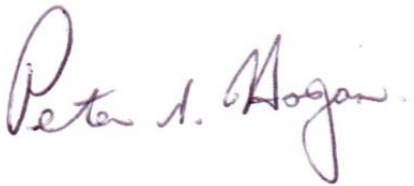
Information about Carbon Energy is available at [www.carbonenergy.com.au](http://www.carbonenergy.com.au), which should be considered in conjunction with the Company's continuous disclosure to the ASX.

The SPP will close on Monday 22 October 2018 at 5.00pm (Sydney time). If you wish to participate in the SPP your application must be received by the closing date. Carbon Energy reserves its right to close the SPP early or extend the SPP.

If you have any questions about the SPP, please contact the offer information line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

The Carbon Energy board encourages you to consider this opportunity and thanks you for your continued support.

Yours faithfully

A handwritten signature in dark ink, reading "Peter A. Hogan". The signature is written in a cursive style with a large initial 'P' and a distinct 'A'.

Mr Peter Hogan  
Chairman

## LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

2 October 2018

Dear Shareholder,

Since the appointment of Bryan O'Donnell as Managing Director and CEO in January this year, the Company has been focusing on adapting the use of its proven **keyseam**® technology to propel the Company into the next generation as well as offering the best potential for profit and return on investment to its shareholders.

The result of this work has been uncovering greater power in the Company's own intellectual property. The existing **keyseam**® technology safely and effectively turns underground coal into syngas. By combining **keyseam**® with proven oil and gas technology, we can produce 98%<sup>1</sup> CO<sub>2</sub>-free hydrogen via coal steam reforming. The process developed and enhanced here in Australia is arguably a disruptor to the hydrogen industry, enabling hydrogen to be produced cheaper and more efficiently than its nearest process competitor (steam methane reforming).

Hydrogen is seen by many as the fuel of the future due to its low emissions and its ability to be produced CO<sub>2</sub>-free. The Victorian Government has approved a \$100 million investment towards a hydrogen project in partnership with Kawasaki Heavy Industries, as part of Japan's push to commence a hydrogen economy by 2020. Japan is not alone, with parts of the United States and Europe already developing their own large-scale hydrogen projects. Additionally, major corporations such as Toyota and Shell are commencing their own hydrogen projects. The hydrogen market is expected to grow by 10 fold between now and 2050. This estimate would mean that hydrogen would meet 18% of total final energy demand and power a fleet of more than 400 million cars, 15 to 20 million trucks and around 5 million buses.

Additionally, we have identified a deep coal resource in the Cooper Basin, South Australia suited for hydrogen production and to be accessed through enhancing our **keyseam**® technology for deep coal. The Cooper Basin is also ideally suited for CO<sub>2</sub> sequestration into existing, depleted deep oil and gas reservoirs, increasing the potential profitability and options available by producing hydrogen there.

We have begun to engage with the South Australian Government. South Australia is the leading Australian State for innovative energy projects. They recently approved an in-situ gas trial project at Leigh Creek and are fostering a supportive environment to help deliver South Australia's energy requirements to assist in supporting local industry.

In July 2018, thyssenkrupp completed a concept study in conjunction with the Carbon Energy Technical Team, to support both the economics and viability of the project using coal steam reforming with **keyseam**® technology. The final results are extremely encouraging with hydrogen production costs being estimated at less than \$1.80/kg compared to current market rates of \$16-

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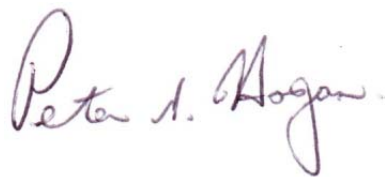
<sup>1</sup> Based on average results from concept studies.

20/kg (more detail can be found in the investor presentation). We have already started the process of presenting our project to interested parties.

Our vision is to be the first choice for hydrogen producers, as well as providing a bridge towards “green hydrogen.” Carbon Energy’s technology remains trail blazing and this new direction and development of a hydrogen project offers great potential, with expectations of strong returns once production commences.

The Company is deeply disappointed at not being able to deliver on a UCG project in China which was our recent key focus up until the second half of 2018. Conducting a hydrogen project within Australia where the South Australian State Government is strongly supportive and the regulatory regime is well understood, is most attractive for the Company’s commercial strategy.

On behalf of Carbon Energy’s Board of Directors, I thank you for your continued support and invite you to take up this investment opportunity by participating in the Share Purchase Plan and acquiring additional shares in the Company which will place Carbon Energy in the best position to commence its journey towards delivering future value for shareholders.

A handwritten signature in purple ink that reads "Peter A. Hogan". The signature is written in a cursive, flowing style.

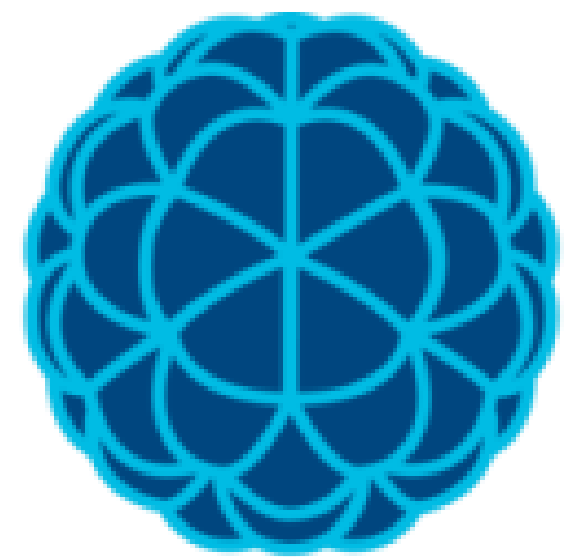
Peter Hogan

Chairman



# SHARE PURCHASE PLAN (SPP)

ROADMAP TO REINVENTION AND PROFITABILITY



carbon**energy**

FUELLING THE HYDROGEN ECONOMY



# HYDROGEN IS PLACED TO BE THE FUEL OF THE FUTURE

Demand for hydrogen is on the increase. A growing global market is realising the benefits of a fuel with **zero emissions**, which can be produced CO<sub>2</sub> free.

For the past year Carbon Energy has focused on adapting the use of its proven **keyseam® technology** by utilising existing oil & gas technology.

Increased understanding, research and engineering have uncovered greater capability in the area of hydrogen production and given rise to a shift in the Company's focus.

**keyseam® technology** is perfectly suited to produce high quality low cost hydrogen. With relatively simple advancements Carbon Energy is set on being one of the key players with 98%<sup>1</sup> CO<sub>2</sub> free hydrogen production.



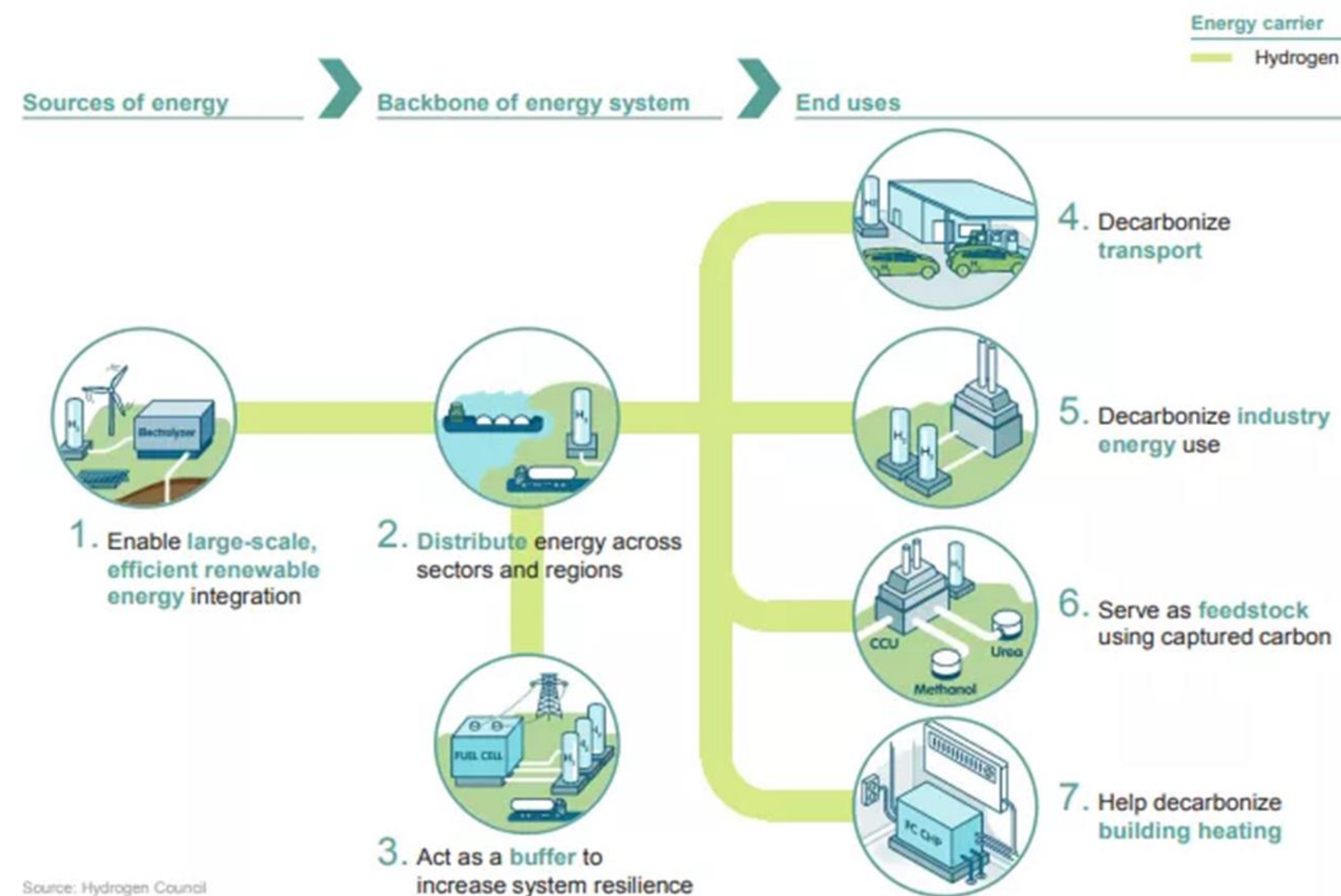
<sup>1</sup> Based on average results from concept studies.



# SHAREHOLDER SUPPORT CRITICAL FOR HYDROGEN PRODUCTION

Carbon Energy needs your support to fund a genuine opportunity to become a major Australian hydrogen producer.

1. We need all our shareholders to support the SPP to enable progress on the development of 98%<sup>1</sup> CO<sub>2</sub> free hydrogen in South Australia and projects in South Africa.
2. Without strong individual shareholder support the unique and proven **keyseam® technology** and the 98%<sup>1</sup> CO<sub>2</sub> free hydrogen IP currently under development could be lost from Australia
3. South Australia presents great opportunity as there are suitable tenements available and approvals for a 3 month trial of Leigh Creek Energy's Deep Coal Gasification (DCG) project are already in place to start production in Sept/Oct 2018.



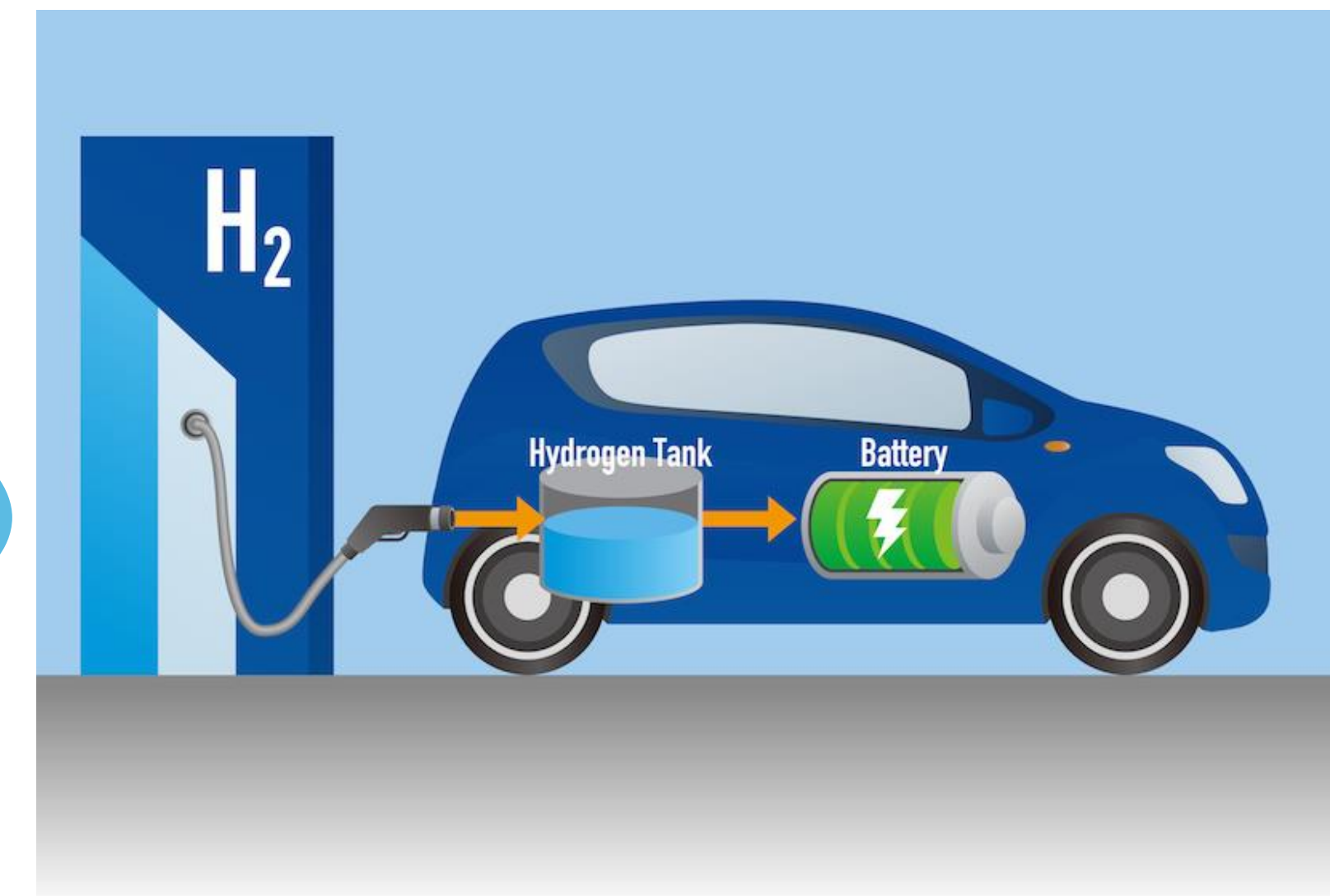
Source: Hydrogen Council

<sup>1</sup> Based on average results from concept studies.

# LOW COST 98%<sup>1</sup> CO<sub>2</sub> FREE HYDROGEN PRODUCTION

## Low Cost Hydrogen for the transition to the new Hydrogen Fuel Economy

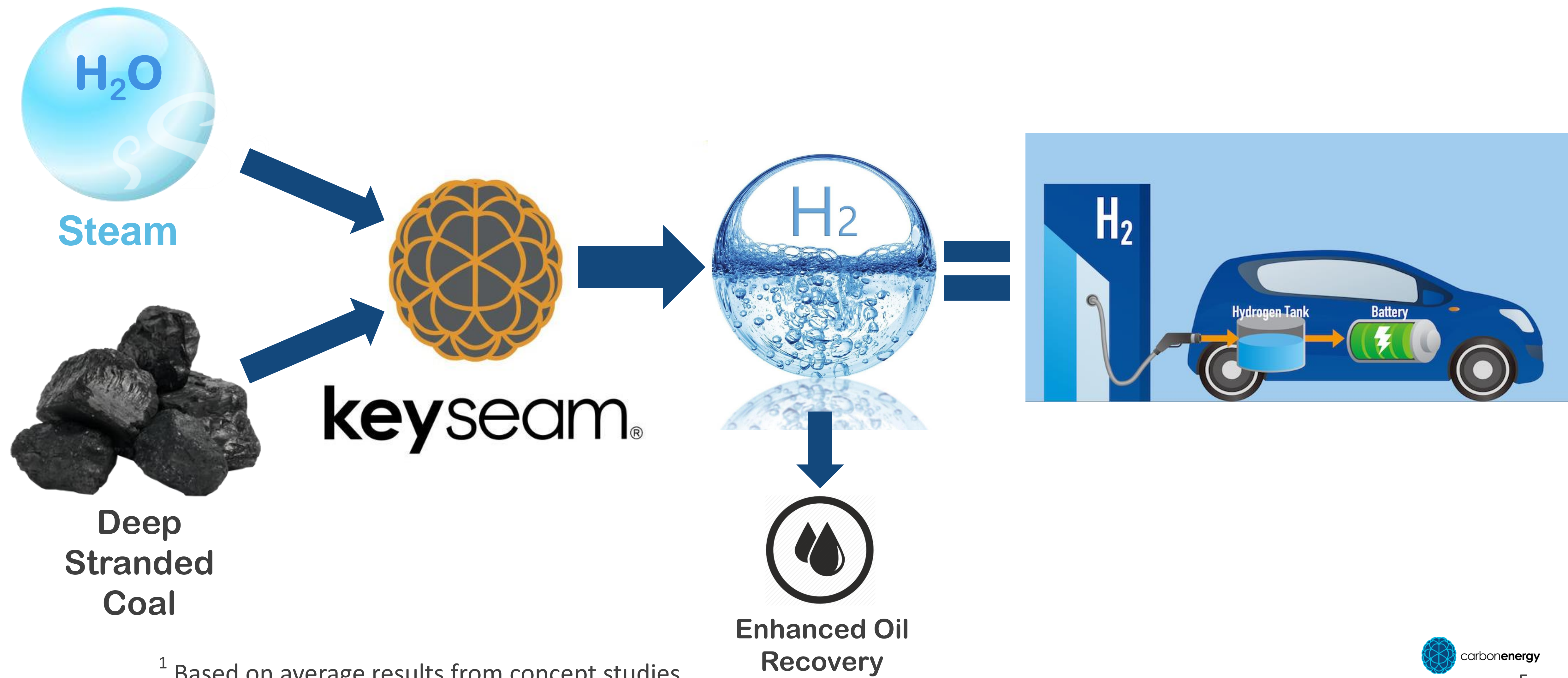
- Carbon Energy has **identified a low cost hydrogen production** opportunity utilising deep stranded coal for steam reforming.
- Carbon Energy's **unique and proven keyseam® technology can be combined with proven oil & gas technology** to produce gas with up to 68.6% H<sub>2</sub> (MOL% dry gas).
- This high quality H<sub>2</sub> rich gas production can then be refined into either streams of pure H<sub>2</sub> and/or ammonia.
- Headline estimated production costs:
  - Hydrogen production cost **< A\$1.80/kg (market A\$16-20/kg)**
  - Ammonia production cost **< A\$190/t (market A\$650-700/t)**
- Attractive project economics - **payback period of 4 years and IRR of 37%.**
- Resource **tenure** has been investigated and **identified** in the Cooper Basin in South Australia.
- Gas exploration production is targeted to **commence from 2020.**



<sup>1</sup> Based on average results from concept studies.



# CARBON ENERGY 98%<sup>1</sup> CO<sub>2</sub> FREE H<sub>2</sub> PROCESS



<sup>1</sup> Based on average results from concept studies.



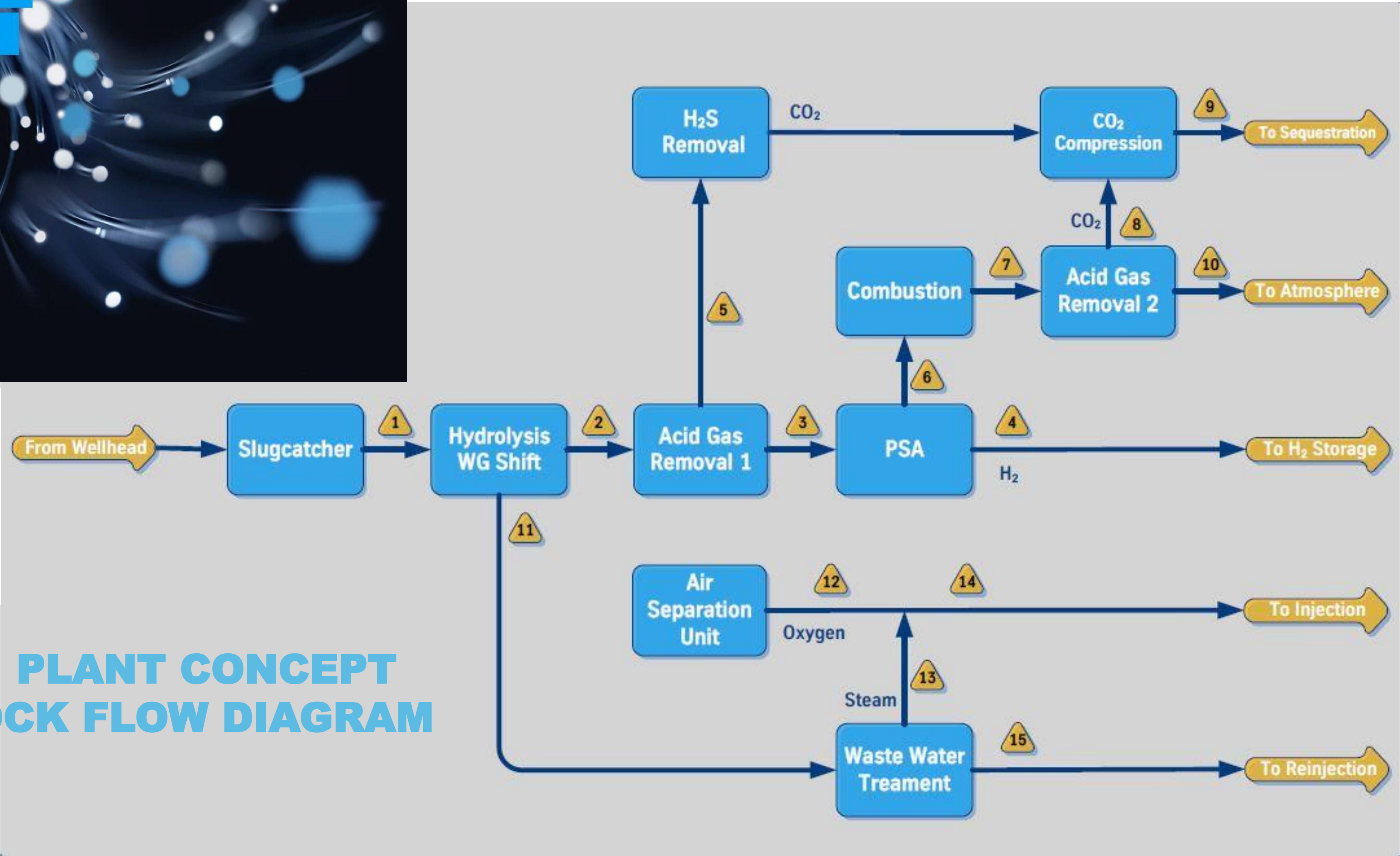
# HYDROGEN PRODUCTION PLANT CONCEPT STUDY



Preliminary BFD  
Carbon Energy



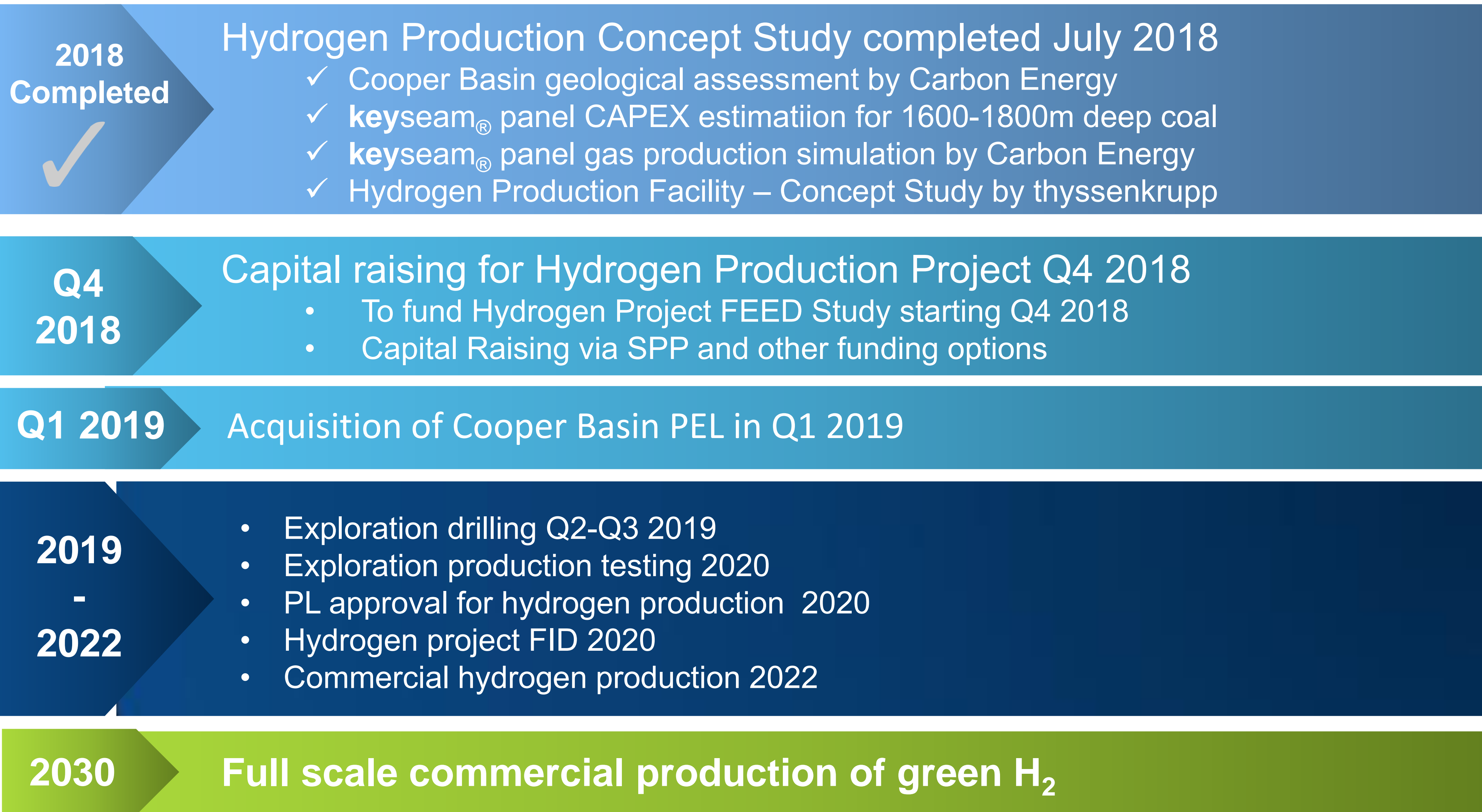
## HYDROGEN PLANT CONCEPT STUDY BLOCK FLOW DIAGRAM





# LOW COST 98%<sup>1</sup> CO<sub>2</sub> FREE HYDROGEN PRODUCTION

## Project Road Map



<sup>1</sup> Based on average results from concept studies.

# DISCLAIMER, QUALIFICATIONS AND IMPORTANT NOTICE

The information contained in this presentation is given without any liability whatsoever to Carbon Energy Ltd (**Carbon Energy**) or any of its related entities or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

This presentation features information on a proposal by Carbon Energy to undertake activities which, if successfully implemented, could result in the Company using a modified version of its existing **keyseam®** technology to produce hydrogen via coal steam reformation initially in the Cooper Basin of South Australia (the **proposed project**). The information in this presentation has not been independently verified by Carbon Energy. Carbon Energy disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections, timelines for the proposed project (including key milestones), funding requirements, and forecasts and indications of, and guidance on, future earnings and performance and financial position set forth herein. This presentation contains certain “forward-looking statements”. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors and are subject to significant business, project, technical, economic, regulatory and competitive uncertainties and contingencies associated with resource development and production, many of which are beyond the control of Carbon Energy, that may cause actual results to differ materially from those predicted or implied by any forward-looking statements. No representation or warranty is made by or on behalf of Carbon Energy that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Carbon Energy does not currently hold any tenure, or any interest in any tenure, in the proposed project area nor can there be any assurance that it will be able to acquire the necessary tenure. In addition to acquiring the necessary tenure, any project will require numerous environmental, planning, native title and other approvals before exploration, development, production trials, and, eventually, commercial production can take place.

Carbon Energy presently does not have sufficient funds to undertake activities beyond the activities necessary to initiate the proposed project. The Company will require significant additional funding (beyond its current financial resources including the funds raised under the SPP) to progress the proposed project including acquiring tenure and approvals, undertaking exploration drilling and exploration production testing, obtaining production licence approvals, undertaking hydrogen production financial investment decisions and ultimately commercialising hydrogen production.

As Carbon Energy has not completed any studies beyond a initial concept studies, assessments and simulations, there can be no assurances that the proposed project will successfully demonstrate that hydrogen production using Carbon Energy’s **keyseam®** technology is commercially viable even if the proposed project is fully funded, tenure and all approvals are obtained, and the technology is successfully refined, and implemented. Please note that, in providing this presentation, Carbon Energy has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the addressee’s objectives, financial position or needs.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Carbon Energy. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Carbon Energy

This presentation should be read in conjunction with SPP offer documents, which includes details surrounding the intended use of funds, the funding for Carbon Energy’s commercial strategy and risks.

## Carbon Energy investment overview

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### Offer details

<b>Issue Price</b>	\$0.08 per share
<b>Application Amount</b>	Minimum of \$1,000 ( <b>Minimum Application Amount</b> ) with staged increments of \$1,000 up to a maximum of \$15,000
<b>Record Date</b>	7.00pm (Sydney time) on Monday 1 October 2018
<b>Closing Date</b>	5.00pm (Sydney time) on Monday 22 October 2018
<b>Allotment Date</b>	Tuesday 30 October 2018
<b>Quotation Date</b>	Wednesday 31 October 2018

### Intended use of funds

The proceeds raised from this SPP are proposed to be used primarily to fund:

- Carbon Energy's continued pursuit of its commercial strategy to include hydrogen production as a key product along with ammonia and synthetic natural gas;
- Carbon Energy's continued focus on pursuing opportunities of hydrogen production as a key use and commercial strategy for its **keyseam®** syngas production;
- Carbon Energy's continued development of its **keyseam®** technology deep coal gasification projects in several countries worldwide, including a 98%<sup>1</sup> CO<sub>2</sub> free hydrogen production project in the Cooper Basin of South Australia and power and hydrogen projects in South Africa;
- general working capital for the Carbon Energy group, including funding for the Bloodwood Creek rehabilitation and corporate operations; and
- the cost of this SPP issue.

### Funding for Carbon Energy's commercial strategy

Carbon Energy's existing **keyseam®** technology received official acknowledgement in 2016, from the Queensland Government. Carbon Energy successfully completed the science and technology aspects required under the Independent Science Panel process, using its proprietary **keyseam®** technology under pilot conditions at its trial site.

During the past year, Carbon Energy focussed on adapting the use of its proven **keyseam®** technology by utilising existing oil and gas technology. Carbon Energy identified a low-cost hydrogen production opportunity utilising deep stranded coal for steam reforming and developed its project road map towards low cost 98%<sup>1</sup> CO<sub>2</sub> free hydrogen production. Further information surrounding the **keyseam®** technology and Carbon Energy's hydrogen production project can be found in the investor presentation.

The Carbon Energy group currently holds approximately \$0.7 million of cash<sup>2</sup> and the SPP aims to raise up to circa \$1.5 million in gross funds before capital raising costs. Existing cash, together with the funds

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<sup>1</sup> Based on average results from concept studies.

<sup>2</sup> Cash include amounts held in operating accounts and amounts held in term deposits as security for credit facilities and bank guarantees, but exclude amounts held in trust by external parties or security deposits held by suppliers. Amounts are as at close of business Tuesday 25 September 2018.

raised under this SPP, will support Carbon Energy to commence activities necessary to initiate the above projects. These funds provide Carbon Energy with general working capital and are expected to allow Carbon Energy to commence its hydrogen project front end engineering design (FEED) study, whilst continuing to seek additional funding. Future funding will be required for each project stage, to enable Carbon Energy to continue with its development and commercialisation of these projects. Further details on potential future funding sources and their associated risks can be found in the Risks section below.

## Risks

Before making an investment decision, you should read the SPP terms set out below. Carbon Energy considers that, in addition to the inherent risks of investing in listed securities in the resources sector, the major risks of an investment in Carbon Energy include the following:

Key risk	Description
Technological and operational risks	Carbon Energy is yet to successfully transition its <b>keyseam</b> ® technology from a pilot project to a commercial scale operation. The Company is also dependent on obtaining access to coal resources that are both technically and commercially suitable to the application of the Company's <b>keyseam</b> ® technology. Carbon Energy's <b>keyseam</b> ® technology will require further advancements as the Company progresses through its project development and commercialisation activities as it adapts its technology for the production of hydrogen. Future studies and assessments may also need to be undertaken as part of the process.
Foreign country risks	Carbon Energy faces inherent uncertainties operating in foreign jurisdictions due to cultural, political, economic and legal differences.
Regulatory risks	The Company is required to comply with a range of regulatory authorities and there can be no guarantee that governments will approve or authorise the use of the Company's <b>keyseam</b> ® technology. Shareholders will be aware that, without prior notice to the Company and despite having recently renewed the Company's Mineral Development Licence, in April 2016 the Queensland Government announced a blanket ban on the use of any underground coal gasification technology in that State. Other governments are in the process of developing their policies which may lead to further changes in the regulatory environment and uncertainty around development of projects. This process is being lead by South Australia where there is suitable policy and regulations already in place with the approval in Q3 2018 of the Leigh Creek Trial project.
Macro economic risks	Carbon Energy's operational and financial performance is affected by the Australian and other international economies and, in particular, the coal and gas markets within those economies. General and business conditions, commodity prices, inflation, interest rates, monetary and fiscal policy, political circumstances and currency exchange rates are all matters which may affect



	Carbon Energy's operating and financial performance.
Key personnel risks	Carbon Energy is highly dependent upon retaining its qualified, technical and managerial personnel.
Intellectual property risks	A significant portion of the Company's asset value is attributable to intangible assets, including the Company's intellectual property. The intellectual property may be at risk of transfer to third parties, should the Company not continue as a going-concern in the future (refer Future Funding Requirement section below for more information).
Tenure and land related risks	Carbon Energy requires relevant government authorities to grant tenure and permits to undertake its activities. There can be no assurance that these tenures and permits will be granted, or that they will be granted without delay, or granted without onerous conditions. There may also be competing land usage and community opposition to Carbon Energy's projects.
Future funding requirements	<p>Carbon Energy will require funds from various sources to continue as a going-concern and finance its development and commercialisation activities, including the projects discussed throughout the SPP document and the investor presentation.</p> <p>Those funds can potentially be raised through the further issue of securities, the obtaining of additional debt capital, the reduction of expenses, the receipt of revenue through commercialisation of the Company's technology or services and the realisation or recovery of Carbon Energy's assets (most likely a combination of some or all of these sources).</p> <p>The amount of funds required may vary substantially and is dependent on the intended use for the funds, including the stage of any project(s) currently underway.</p> <p>In the ordinary course of business, whilst there is no guarantee that any matters will be successfully completed, Carbon Energy will continue to undertake preliminary discussions with potential sources of funding, such as investors with potential interest in taking up Carbon Energy's securities by way of private placements.</p> <p>There can be no assurance that Carbon Energy will be able to raise sufficient funds from any of these or other sources on acceptable terms or in a timely manner or at all.</p> <p>Any further equity funds raised may result in a dilution in your shareholding, should you either elect not to participate in future capital raisings or in the event of placements made to other parties.</p> <p>Should Carbon Energy experience an endemic shortage of funds to pay its debts as and when they fall due, it could become insolvent and this may result in it becoming subject to some form of</p>

insolvency administration (such as administration, liquidation and/or receivership and management).

**Shareholders are also directed to the Disclaimer, Qualifications and Important Notices included in the investor presentation.**

**Past performance is not necessarily a guide to future performance of the Company.**

## Carbon Energy Share purchase plan terms

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### How do I accept

To participate, you should either:

- (a) return your application form, together with a cheque; or
- (b) pay the Application Amount via BPAY<sup>®</sup>,

so that payment is received by **5.00pm (Sydney time) on Monday 22 October 2018**.

BPAY<sup>®</sup> instructions are set out on the application form. If you use BPAY<sup>®</sup>, you do not need to return your application form. Please make sure you use the specific biller code and unique reference number on your personalised application form. Your financial institution may implement earlier cut-off times for electronic payment. You should take this into consideration when making payment.

If paying by cheque, use the reply-paid envelope or deliver it to the address on the application form. Applications received after the Closing Date will not be accepted.

Funds received for applications by cheque or BPAY<sup>®</sup> will be regarded as applications for the maximum number of shares that those funds will pay for in full.

**Importantly, while participation in the plan is optional, once applications are submitted, they cannot be withdrawn.**

**The Company's market price may vary at any time during the offer period and the Company's shares may trade at a price that is lower than the Issue Price.**

**By accepting the SPP offer, you accept the risk that the market price of the Company's shares may fall below the Issue Price between the date of this offer and the Allotment Date, in which case you may have been able to buy the Shares at a lower price than the Issue Price.**

**By making an application, you represent to the Company the matters set out under the heading 'Your representations' in these terms and in the application form.**

### How many shares

Eligible Shareholders receive the number of shares equal to the Application Amount (subject to any scale-back) divided by the Issue Price. Fractions will be rounded down, and the difference (being any amount less than the Issue Price) may be retained by the Company.

The Issue Price does not exceed the limit prescribed by the ASX Listing Rules and ASIC Class Order 09/425.

Shares issued under the SPP may be sold or transferred on ASX at any time after the Quotation Date.

### Eligibility to participate

Participation in the SPP is optional. The offer is open to all shareholders with a registered address in Australia or New Zealand as at the Record Date.

#### *Multiple holdings*

If you are the only registered holder of Company shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply in total for a maximum of \$15,000 worth of shares.

#### *Joint holders*

If you are a joint holder of Company shares, that holding is considered to be a single registered holding for the purpose of the SPP. You are entitled to participate in the SPP for that single holding only. If you are a joint holder and you receive more than one offer under the SPP, you may only apply in total for a maximum of \$15,000 worth of shares.

### *Trustee or nominee*

If you are noted on the Company's share register as a trustee or nominee for a named beneficiary, you may only apply for one maximum parcel of shares for each named beneficiary. If the Company's share registry does not record a named beneficiary for your trustee or nominee holding, the rules for multiple single holdings apply.

### *Custodians*

If you are a custodian within the definition of 'custodian' in ASIC Class Order 09/425 (as varied) and hold Company shares for one or more persons (each a **Participating Beneficiary**), or for another custodian of Company shares, you may apply for up to a maximum of \$15,000 worth of shares for each Participating Beneficiary, subject to providing the Company a 'custodian certificate' in addition to the application form, which certifies matters required by ASIC Class Order 09/425 (as varied).

Please contact the share registry to obtain the form of the custodian certificate.

### **Directors**

Directors of the Company who are Eligible Shareholders may participate in the SPP.

### **Scale-back**

The Company may, in its absolute discretion, scale-back applications under the SPP.

Factors that the Company may take into account in determining any scale-back include:

- (a) compliance with regulatory requirements;
- (b) the amount applied for by each shareholder;
- (c) the number of shares held at the Record Date; and
- (d) if the shareholder remains on the register at the Closing Date.

The Company may scale-back applications below the Minimum Application Amount. Scale-back decisions are made by the board and are final.

If a scale-back occurs, the difference between the value of the shares allotted and the Application Amount paid to the Company (only where the amount is greater than the Issue Price) will be refunded by cheque and mailed to you as soon as practicable following the Allotment Date. Any scale-back will be announced on the Allotment Date. No interest will be paid on any Application Amount paid or refunded.

### **ASX quotation**

After shares are issued and allotted under the SPP, the Company will apply to ASX for quotation of the shares on the Official List and send an allotment notice to each Eligible Shareholder's registered address.

### **No costs**

Eligible Shareholders may subscribe without incurring brokerage costs, commission or other transaction costs.

### **The Company's rights**

The Company may reject any application for shares under the SPP if:

- (a) it considers that the application does not comply with these terms;
- (b) you are not an Eligible Shareholder;
- (c) a cheque is returned unpaid;
- (d) the application form has not been properly completed; or
- (e) there are grounds for believing that the applicant is not acting in good faith.

The Company may modify, suspend or cancel the SPP at any time. If the Company does this, it will notify ASX. If the SPP is cancelled, the Application Amount will be refunded without interest. Neither the Company nor the board accepts or assumes any liability to shareholders because of the variation, suspension or termination of SPP.

The Company may settle, at its discretion in any manner it deems fit, any anomalies or disputes in connection with the SPP and that decision is conclusive and binding on all applicants. The Company reserves the right to waive strict compliance with these terms.



## **Your representations**

By completing and returning the application form or by making a BPAY® payment, you:

- (a) certify to the Company that you are an Eligible Shareholder;
- (b) authorise the Company (and its officers and agents) to correct any error in, or omission from, your application form;
- (c) accept the risks of the delivery of any refund to you;
- (d) acknowledge that the Company may at its discretion determine that your application form is valid, even if the application form is invalid;
- (e) irrevocably and unconditionally agree to these terms; and
- (f) acknowledge that the Company is not liable for any exercise of its discretions referred to in these terms.

## **Other information**

The Offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the SPP to anyone else. Shares issued under the SPP will rank equally in all respects with existing fully paid shares.

This document is not an offer of securities in any place outside Australia or New Zealand and does not take into account your individual investment objectives, financial situation or particular needs. An investment in the Company is speculative. Therefore, you should obtain independent financial and taxation advice before making an investment decision.