

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

CONSOLIDATED OPERATIONS GROUP LIMITED (Company)

ABN

58 100 854 788

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 224,411,875 Shares
<i>Note: Approximate and subject to rounding. Based on the number of Shares projected to be on issue as at the record date of 18 November 2019 (Record Date).</i> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Up to approximately \$20,197,068.75 at an issue price of 9 cents (\$0.09) per Share. |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? | Yes. |

+ See chapter 19 for defined terms.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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5 Issue price or consideration

9 cents (\$0.09) per Share.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

As announced by the Company on 13 November 2019, the Shares will be issued pursuant to a 1-for-6 non-renounceable pro rata entitlement offer to raise up to approximately \$20,197,068.75 (before costs) (**Entitlement Offer**).

The Company has entered into a binding scheme implementation agreement under which the Company and CML have agreed to work together to propose a court-approved scheme of arrangement to CML shareholders pursuant to which the Company will acquire all of the issued share capital of CML for total aggregate consideration with an implied value of approximately A\$112 million, comprised of a mixture of up to \$20m cash and/or COG shares, subject to an election by CML shareholders. The A\$20.2 million to be raised under the Entitlement Offer will be used for the cash component of the consideration under the scheme of arrangement.

The Acquisition is expected to complete in February 2020, subject to the satisfaction of certain conditions precedent including the Company obtaining the necessary cash consideration amount for the Scheme, Court approval and CML shareholders voting in favour of the Scheme by the requisite majorities. A complete copy of the scheme implementation agreement can be obtained from the Company's announcements on the ASX website at www.asx.com.au (ASX code: COG) or from the Company's website

at www.coglimited.com.au/investor-relations

Due to the current conditionality of the scheme of arrangement and the requirement to obtain the approval of the Court to the Scheme the Directors cannot guarantee that the Scheme will ultimately be implemented and that COG will acquire CML. If for any reason the Scheme does not proceed, the Company will use the proceeds of the Entitlement Offer to reduce existing debt and for future working capital purposes.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No.
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	Up to 224,411,875 Shares (Exception 1). <i>Note: Approximate and subject to rounding. Based on the number of Shares which is projected to be on issue as at the Record Date.</i>
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the	N/A

+ See chapter 19 for defined terms.

+issue date and both values. Include the source of the VWAP calculation.

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6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

See Annexure 1 (please note that this will be updated upon completion of the Entitlement Offer).
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7 +Issue dates
 Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.
 Cross reference: item 33 of Appendix 3B.

The Shares under the Entitlement Offer will be issued on or around 6 December 2019.

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
1,571,736,456 <i>Note: assumes that the Entitlement Offer is fully subscribed and has completed.</i>	Fully Paid Ordinary Shares (COG)

	Number	+Class
9	6,857,143	Unlisted Options – Long Term Incentive of Mr Andrew Bennett at an exercise price of \$0.105 per option, expiring at the earlier of cessation of employment of Mr Andrew Bennett and 30 June 2021
	3,225,806	Unlisted Options – Long Term Incentive of Mr Andrew Bennett at an exercise price of \$0.104763 per option, expiring at the earlier of cessation of employment of Mr Andrew Bennett and 30 June 2022
	10,082,949	Total COGAA

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 new Share for every 6 Shares held at the Record Date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	18 November 2019

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Rounded down to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7-7.	All countries <u>except</u> for Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	5.00 pm (Sydney time) on 2 December 2019.
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus will be issued, but an offer booklet and a personalised entitlement and acceptance form is expected to be dispatched to eligible shareholders of the Company by no later than 21 November 2019.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	13 November 2019.

28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Issue date	The Shares under the Entitlement Offer will be issued on or around 6 December 2019.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

⁺ See chapter 19 for defined terms.

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

N/A

- 39 +Class of +securities for which quotation is sought

N/A

- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
 If the additional +securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

- 41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another +security, clearly identify that other +security)

N/A

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class
N/A	N/A

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Company Secretary
Print name: David Franks

Date: 13 November 2019

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,338,454,052
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	224,411,875 Shares (maximum number of Shares to be issued pursuant to the Entitlement Offer announced on 13 November 2019).
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	1,562,865,927

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	234,429,889
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>2,843,204 Shares (issued on 08/02/19)</p> <p>6,857,143 Unlisted Options (issued on 20/08/19)</p> <p>6,027,325 Shares (issued on 11/11/19)</p> <p>954,535 Unlisted Options (issued on 11/11/19)</p> <p>2,271,271 Unlisted Options (issued on 12/11/19)</p>
“C”	18,953,478
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	234,429,889
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	18,953,478
Total [“A” x 0.15] – “C”	215,476,411 (assuming the maximum number of Shares under the Entitlement Offer and Placement have been issued)

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A

+ See chapter 19 for defined terms.