

14 November 2019

Dear Shareholder

Consolidated Operations Group Limited (ASX:COG)
Notification to Eligible Shareholders of the Entitlement Offer

On 13 November 2019, Consolidated Operations Group Limited ACN 100 854 788 (**ASX:COG**) (**Company**) announced a 1 for 6 (1 new share for every 6 existing shares) non-renounceable pro rata entitlement offer pursuant to which the Company will raise up to approximately A\$20.2 million (before costs and expenses) (**Entitlement Offer**).

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Under the terms of the Entitlement Offer, only shareholders of the Company with a registered address in Australia or New Zealand at 7.00 pm (Sydney time) on 18 November 2019 (**Record Date**) will be able to participate in the Entitlement Offer (**Eligible Shareholders**). Eligible Shareholders will be invited to subscribe for one (1) new fully paid ordinary share in the Company (**Shares**) for every six (6) Shares held by the shareholder on the Record Date at an issue price of A\$0.09 per Share (**Entitlement**).

The Company expects to lodge an offer booklet for the Entitlement Offer (**Offer Booklet**) with ASX on 21 November 2019. It is anticipated that the Offer Booklet and the accompanying personalised Entitlement and Acceptance Form will be sent to Eligible Shareholders on 21 November 2019. The Offer Booklet may be viewed on the ASX's website at www.asx.com.au (by searching for the Company's ASX ticker code, COG) from the date of lodgement but you will need a copy of your personalised Entitlement and Acceptance Form before applying for Shares.

Further details of, and reasons for, the Entitlement Offer

The Entitlement Offer is not underwritten.

The Company has entered into a binding scheme implementation agreement under which the Company and CML Group Limited (**CML**) have agreed to work together to propose a court-approved scheme of arrangement to CML shareholders (**Scheme**) pursuant to which the Company will merge with CML via the acquisition of 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 A\$20 million cash and/or COG shares, subject to an election by CML shareholders (**Merger**). 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.

The Merger 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 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 merge with 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.

As a result of the Entitlement Offer, the number of Shares in the Company is projected to increase from 1,347,324,581 Shares to approximately 1,571,736,456 Shares (subject to rounding, and assuming the full amount is raised). The Shares issued under the Entitlement Offer will be fully paid and will rank equally with the Company's other fully paid ordinary shares on issue. The Company has made an application to the ASX for official quotation of the total number of Shares that could be issued under the Entitlement Offer (i.e. up to 224,411,875 Shares).

Eligible Shareholders can choose to take up all, part or none of their Entitlement. As the Entitlement Offer is non-renounceable, this means that Eligible Shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in the Company will be diluted.

The Entitlement Offer is intended to include a shortfall facility (at the sole discretion of the Board of Directors) under which Eligible Shareholders who take up their full entitlement will be invited to apply for Shares, in excess of their entitlement, in the Entitlement Offer from a pool of those entitlements not taken up by other shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Shares applied for under the Shortfall Facility, and sole discretion with respect to allocation remains with the Board. To the extent that Eligible Shareholders do not subscribe for all of the additional Shares available under the Shortfall Facility, the Directors reserve the right to place those additional Shares with existing or new investors within 3 months of the close of the Entitlement Offer.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on 21 November 2019, including the risk factors of investing in COG and participating in the Entitlement Offer as set out in the Offer Booklet.

Key Dates of the Entitlement Offer

Event	Date*
Announcement of Entitlement Offer	13 November 2019
Ex-date for Entitlement Offer	15 November 2019
Record Date	7.00 pm (Sydney time), 18 November 2019
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form	21 November 2019
Entitlement Offer closes (Closing Date)	5.00 pm (Sydney time), 2 December 2019
Announcement of shortfall (if any) under the Entitlement Offer	5 December 2019

Event	Date*
Issue and allotment of shares under the Entitlement Offer	6 December 2019
Dispatch of holding statements	6 December 2019
Commencement of trading of new shares	9 December 2019

**The above timetable is indicative only and is subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

For more information, please contact the undersigned on 02 8072 1400.

Yours faithfully



David Franks
Company Secretary