



12 December 2024

Not for release to US wire services or distribution in the United States

Dear Shareholder,

NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On 5 December 2024, Terragen Holdings Limited (**ASX:TGH**) ("**Terragen**" or "**the Company**") announced the launch of an equity raising of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.035 per New Share (**Offer Price**).

The Equity Raising (defined below) is comprised of:

- a non-underwritten institutional placement of New Shares to raise gross proceeds of approximately A\$0.77 million (utilising ASX Listing Rule 7.1 capacity) to be conducted at the same time as the institutional component of the Entitlement Offer (**Placement**); and
- a fully underwritten¹ 1-for-3.22 pro rata accelerated non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately A\$4.0 million (**Entitlement Offer**),

the Entitlement Offer and Placement are together the **Equity Raising**.

It is expected that approximately 135.9 million New Shares will be issued under the Equity Raising (comprising approximately 36.8% of Terragen's existing issued capital). The Entitlement Offer is underwritten by Morgans Corporate Limited ACN 010 539 607 (**Morgans, Underwriter**, or the **Lead Manager**). The Placement is not underwritten.

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

The Entitlement Offer consists of an entitlement offer to eligible institutional shareholders (**Institutional Entitlement Offer**), and an entitlement offer to eligible retail shareholders (**Retail Entitlement Offer**).

The Institutional Entitlement Offer was conducted between 5 December 2024 and 6 December 2024, with the results announced on the ASX on Monday, 9 December 2024. The Institutional Entitlement Offer has raised approximately A\$2.45 million already (before costs). The Retail Entitlement Offer may raise up to a further approximately A\$1.54 million for the Company.

New Shares will rank equally in all respects with Terragen's existing shares. If an eligible shareholder's entitlement results in a fraction of a new share, the shareholder's entitlement will be rounded up to the nearest whole number.

An offer booklet for the Retail Entitlement Offer (**Retail Offer Booklet**) will be lodged with the ASX and made available to eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on Monday, 9 December 2024 (**Record Date**), not being persons in the United States or acting for the account or benefit of persons in the United States (**Eligible Retail Shareholders**) on Thursday, 12 December 2024.

This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

¹ Refer to the investor presentation dated 5 December 2024 for a description of the terms and conditions of the underwriting arrangement.

Why am I not eligible to participate in the Entitlement Offer?

In order to be an Eligible Retail Shareholder, you must satisfy the following:

- either:
 - have an address on the Terragen register in Australia or New Zealand;
 - are an Institutional Investor who was not invited to participate in the Institutional Entitlement Offer;
- are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- are not an Eligible Institutional Shareholder and were not treated as an Ineligible Institutional Shareholder (both as defined in the Retail Offer Booklet) under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer (and, for the avoidance of doubt, without any requirement for a prospectus or offer document to be lodged or registered).

You are not eligible to participate in the Entitlement Offer because on the Record Date, you did not satisfy one or more of the above conditions.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders (**Ineligible Retail Shareholders**).

The restrictions upon eligibility under the Entitlement Offer arise because of legal and regulatory requirements in countries other than those listed above and the potential costs to the Company and complexity of complying with these legal and regulatory requirements compared to the relatively small number of shareholders in those countries, the relatively small number of existing Company shares they hold and the relatively low value of the New Shares to which those shareholders would otherwise be entitled.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act as modified by the ASIC Instrument, that it would be unreasonable to make or extend the offer to shareholders in certain countries under the Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria above for an Eligible Retail Shareholder and accordingly you are an Ineligible Retail Shareholder and the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Entitlement Offer will not be extended to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the offer document relating to the Retail Entitlement Offer.

Nominee

The Company has appointed Berne No 132 Nominees Pty Ltd (ACN 010 413 591), a related body corporate of the Underwriter (**Nominee**) to act as a nominee for the purposes of section 615 of the Corporations Act and ASX Listing Rule 7.7.1, who will arrange for the sale of New Shares under the Entitlement Offer which would otherwise have been available to Ineligible Retail Shareholders and remit any net proceeds (i.e. sale proceeds less brokerage and costs) from the sale of those New Shares. There is no guarantee that any proceeds will be realised from the sale of the entitlements that would otherwise have been offered to Ineligible Retail Shareholders.

ASIC has approved the Nominee's appointment by the Company for the purposes of section 615(a) of the Corporations Act.

No action required

This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This notice is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares.

You are not required to do anything in response to this letter.

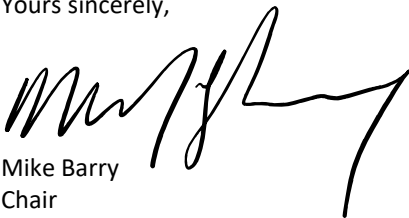
On behalf of the Board and management of the Company, we regret that you are not eligible to participate in the Retail Entitlement Offer but thank you for your ongoing support of the Company.

Further Information

If you have any questions in relation to the above, please contact the Terragen offer information line on 1300 330 255 (within Australia) or +61 1300 330 255 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday during the offer period.

For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

Yours sincerely,



Mike Barry
Chair
Terragen Holdings Limited

Important information

Forward looking statements

This document contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Terragen, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Terragen's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Terragen, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this document. The forward-looking statements are based on information available to Terragen as at the date of this document. Except as required by law or regulation (including the ASX Listing Rules), none of Terragen, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Not an offer in the United States

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have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities described in this document may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States

Involvement of the Lead Manager

Neither the Lead Manager nor its related bodies corporate and affiliates, and each of its respective officers, directors, partners, employees, consultants, contractors, agents and advisers (Beneficiaries), have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this document and nor do they make any recommendation as to whether any potential investor should participate in the Equity Raising. There is no statement in this document which is based on any statement made by the Lead Manager or any other Beneficiary. To the maximum extent permitted by law, the Lead Manager and the Beneficiaries expressly disclaim all liabilities (including for fault, negligence, or negligent misstatement) in respect of, and take no responsibility for, any part of this document, and make no representation or warranty (whether express or implied) regarding any part of this document, including as to the fairness, currency, accuracy, timeliness, reliability or completeness of any information in this document (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Terragen or which a prospective investor may require in evaluating a possible investment in Terragen).

Neither the Lead Manager nor the Beneficiaries make any recommendation as to whether any potential investor should participate in the Equity Raising. Further, neither the Lead Manager or the Beneficiaries accept any fiduciary obligations to or duty of care to or relationship with any investor or potential investor in connection with the Equity Raising or otherwise, and by accessing this document each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Equity Raising and any other transaction or other matter arising in connection with this document. The Lead Manager and the Beneficiaries may, from time to time, have interests in the new securities under the Placement or other securities of Terragen, including providing corporate advisory or other financial advisory services to Terragen and/or managing the offering of such New Shares under the Equity Raising. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Beneficiary may act as a lender and/or counterparty to Terragen or its affiliates and may or now in the future provide financial accommodation or services to Terragen or its affiliates.

Determination of eligibility of investors

Determination of eligibility of investors for the purposes of the Equity Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Terragen and/or the Lead Manager. To the maximum extent permitted by law, Terragen, the Lead Manager, and the Beneficiaries each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Equity Raising without the Lead Manager or the Beneficiaries having independently verified that information and the Lead Manager and the Beneficiaries do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Terragen or which a prospective investor may require in evaluating a possible investment in Terragen).