

9 December 2016
ASX Announcement

ATO grants Alligator shareholders tax refundable exploration credits

**Exploration Development Incentive credits to be distributed before 30
June 2017**

- **ATO accepts Alligator application for the Exploration Development Incentive (EDI) scheme**
- **ATO says 100% of 2016 exploration credits (estimated to be approximately \$660,000) can be refunded to eligible Individual and Superfund resident shareholders**
- **Distributions to be issued before 30 June 2017**

Alligator Energy Limited (ASX: AGE) has been advised by the Australian Taxation Office (ATO) that its application to participate in the EDI has been accepted with a modulation factor of 1.00.

One hundred per cent of the company's 2016 exploration expenditure has been deemed eligible to participate in the Exploration Development Incentive scheme.

The board of Alligator expects to be able to distribute approximately \$660,000 (at the 30% tax rate) in exploration credits to shareholders.

In March 2015, the Federal Parliament passed legislation introducing the EDI scheme with effect from 1 July 2014 to run for three years based on an annual application process. The ATO is the administrator of the scheme.

The EDI scheme enables eligible exploration companies to create exploration credits to pass on to shareholders by forgoing a portion of the carried forward tax losses. The tax losses must have arisen from allowable expenditure on greenfield exploration.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or

franking credits (for companies). Non-residents receiving credits will not be able to use them.

The company is in the process of completing its 2016 income tax return which it plans to be in a position to lodge before the end of the calendar year. Once the tax return has been lodged and assessed by the ATO, the Board will be in a position to determine the timing of the exploration credit distribution (which must occur before 30 June 2017).

Exploration credits are to be distributed to shareholders with equity interests based on the number of shares held by the shareholder as a proportion of the total equity interest of the company. The relevant cut-off time to determine the number of shares that the shareholder holds is 30 days (Record Date) before the exploration credits are issued.

The company must notify shareholders of their credit entitlement in the approved form by 30 June 2017. Exploration credits not issued by this date will expire.

Alligator will provide all shareholders with further information regarding the distribution of the exploration credits and the final quantum once it has been assessed for 2016 income tax purposes and the Board has determined a Record Date for distribution.

For information on the EDI please see the ATO website at <https://www.ato.gov.au/Business/Exploration-Development-Incentive/>

FOR FURTHER INFORMATION, PLEASE CONTACT

Mike Meintjes
Company Secretary
Alligator Energy Ltd
Email: info@alligatorenergy.com.au

Ian Howarth
Collins Street Media
0407 822 319
ian@collinsstreetmedia.com.au