



ENEABBA GAS LIMITED

ABN 69 107 385 884

Ground Floor, 16 Ord Street
West Perth WA 6005

PO Box 902
West Perth WA 6872

P (08) 9482 0555
F (08) 9482 0505

info@eneabbagas.com.au
www.eneabbagas.com.au

22 October 2014

<Holder Name>
<Address Line 1>
<Address Line 2>
<Address Line 3>

Dear Shareholder,

PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

On 22 October 2014 Eneabba Gas Limited ("**Eneabba**" or the "**Company**") announced a pro-rata non-renounceable entitlements issue ("**Entitlements Issue**") to Eligible Shareholders (as defined below) on the basis of five (5) new fully paid ordinary shares ("**New Share**") in the Company for every eight (8) shares held as at 5:00pm (WST) on 30 October 2014. New Shares will have an issue price of \$0.0125 each.

The Company wishes to advise shareholders of the Entitlements Issue and to invite Eligible Shareholders who are registered at 5.00pm WST on 30 October 2014 ("**Record Date**") with a registered address in Australia or New Zealand ("**Eligible Shareholders**") to participate in the Entitlements Issue. The Entitlements Issue will result in the issue of up to approximately 100,261,274 New Shares and if fully subscribed will raise up to approximately \$1,253,266 before costs. The Entitlements Issue is not being extended to any Shareholder whose registered address is outside Australia and New Zealand.

Capital raised under the Entitlements Issue will be used by the Company to fund its:

- Continued activities on the Centauri-1 Power Station concept & land and the Sargon UCG / coal bed methane project;
- Consideration Payment in accordance with the Green Rock Acquisition Agreement;
- Development of the Ocean Hills on-shore gas exploration project including the planning of a 3D seismic program and the search for joint venture partners;
- Working capital, evaluation of other energy opportunities and corporate overhead requirements; and
- Paying the costs of the Entitlements Issue.

An Offer Document relating to the Entitlements Issue ("**Offer Document**") was lodged with ASX Limited ("**ASX**") on 22 October 2014, and is available on the Company's ASX platform at the ASX website (www.asx.com.au) and on the Company's website (www.eneabbagas.com.au). The Offer Document will be mailed to Eligible Shareholders on or about 3 November 2014. Full details of the Entitlement Issue are contained in the Offer Document, and Eligible Shareholders should carefully consider the Offer Document before deciding whether to acquire New Shares. Applications for New Shares can only be made on the personalised Entitlement and Acceptance form that will accompany the Offer Document.

The Offer Document will not constitute an offer in any place in which or to any person to whom it would be unlawful to make such an offer.

No shareholder approval is required for the Entitlements Issue.

Capital Structure

The capital structure of the Company following completion of the Entitlements Issue is summarised below:

Ordinary Shares	Number
Ordinary Shares on issue at the date of the Entitlements Issue	160,418,038
New Shares to be issued under the Entitlements Issue	100,261,274
Total Ordinary Shares on issue	260,679,312

Underwriting

The Offer is fully underwritten by Cygnet Capital Pty Ltd (a corporate authorised representative of Cygnet Securities Australia Pty Ltd AFS Licensee Number 241095) ("**Cygnet**") Cygnet will be entitled to a commission of 5% of the amount of the Entitlement Issue that is underwritten by Cygnet and a management fee consisting of 1% of the total underwritten amount under the Entitlement Issue and 15,000,000 Eneabba options, exercisable at 2 cents each on or before 30 June 2017. Cygnet reserves the right to pay commissions of 5% to any sub-underwriters as agreed by Cygnet. Further details of the Underwriting Agreement can be found in the Offer Document.

In the event that the value of the total Entitlements Issue shortfall is less than \$625,000, Cygnet is to be provided with an exclusive top-up placement, which it may accept at its sole discretion, to increase its total allocation of new shares, including the shortfall allocation, to at least \$625,000.

Timetable

The Entitlements Issue is proposed to be conducted according to the following timetable:

Lodgement Date	22 October 2014
"Ex" date	28 October 2014
Record date to determine Entitlement	30 October 2014
Offer Document with Entitlement and Acceptance Form dispatched	3 November 2014
Offer opens for receipt of Applications	3 November 2014
Closing date for acceptances	13 November 2014
Securities quoted on a deferred settlement basis	14 November 2014
Notify ASX of under subscriptions	14 November 2014
Issue of New Shares	19 November 2014
Dispatch of shareholding statements	19 November 2014
Trading of New Shares expected to commence	20 November 2014
Allotment of Shortfall Shares (on or before)	3 December 2014

Note: All of the abovementioned dates are indicative only and may be subject to change. The Company reserves the right to amend this timetable including, subject to the Corporations Act and the ASX Listing Rules, to extend the closing date.

On or about 3 November 2014 Eneabba will dispatch the Offer Document and personalised Entitlement and Acceptance Form to Eligible Shareholders. If you are eligible and wish to participate in the Entitlements Issue, it will be necessary for you to complete the Entitlement and Acceptance Form and return it, with the appropriate application monies to the Company's share registry, or arrange payment of the application monies by BPAY, to be received before 5.00pm AEST on the anticipated closing date of 13 November 2014.

In calculating entitlements under the Entitlements Issue, fractions will be rounded up to the nearest whole number.

The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.

Shareholders may view the Company's ASX releases and Offer Document on the ASX website asx.com.au (ASX code: ENB) and information on the Company and its projects (including ASX releases) at www.eneabbagas.com.au.

If you have any questions in relation to the Entitlements Issue, please do not hesitate to contact the Company on **+61 8 9482 0555** or consult with your stockbroker or professional adviser.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Brett Tucker', with a long horizontal flourish extending to the right.

Brett Tucker
Company Secretary