

21 February 2022

Dear Shareholder,

RENOUNCEABLE RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 14 February 2022 Acap Energy Limited (**Company**) announced a renounceable pro rata offer of approximately 82 million fully paid ordinary shares (**New Shares**) at an issue price of \$0.13 per New Share with a free listed option of one for every two new shares taken up with an exercise price of 20 cents and an expiry of 15 March 2024. (**Rights Issue**).

The Rights Issue is offered to holders of the Company's fully paid shares held as at 7:00pm (EST) on 17 February 2022 (**Record Date**) with a registered address in Australia, New Zealand and Singapore, on the basis of 1 New Shares for every 14 shares held, and will raise up to approximately \$10.7 million (before costs).

The Company has decided that it is impractical to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the offer document prepared by the Company in relation to the Rights Issue will not be sent to you. In accordance with the Listing Rules, the Company has appointed CPS Capital Group Pty Limited to sell Ineligible Shareholders' entitlements, and to account to them for the net proceeds of sale (if any).

This letter is neither an offer to issue new shares to you, nor an invitation for you to apply for new shares, and you do not have to take any further action in relation to the Rights Issue.

Please contact the Company on +61 419 997 171 or email info@acap.com.au if you have any queries, or consult your stockbroker or professional

Yours sincerely



M K Smartt
Company Secretary