



11 January 2017

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001

This notice is given by BPH Energy Limited (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investment Commission Class Order 08/35 (**C08/35**). References in this notice of the Corporations Act are references to the Corporations Act as modified or amended by CO 08/35.

The Company has announced its intention to undertake an equity raising of up to approximately \$1.8 million via a non-renounceable rights issue. The raising comprises a non-renounceable pro-rata entitlement offer of fully paid ordinary shares (**Shares**), on the basis of one (1) new Share for every one (1) Share held as at 5.00pm WST on 16 January 2017 to eligible shareholders with a registered address in Australia and New Zealand (**Rights Issue**).

Based on the current capital structure (and assuming no options to acquire Shares (**Options**) are exercised prior to the Record Date) a total of an additional 361,600,549 Shares will be issued if the Rights Issue is fully subscribed and the amount raised will be approximately \$1,808,002.

As at the date of this announcement the Company currently has 15,042,500 Options on issue. In order to participate in the Rights Issue these Options must be exercised prior to the Record Date.

The Rights Issue is partially underwritten by Grandbridge Securities Pty Ltd (ACN 087 432 353) (**Grandbridge**) up to \$175,000 and Thomas Fontaine, a director of the Company up to \$10,961 (**Underwriters**). The Company will pay the Underwriters an underwriting fee of 5% (excluding GST) of the underwritten amount together with a management fee to Grandbridge of 1.5% (excluding GST) of the total amount raised under the Rights Issue.

Any shortfall under the Rights Issue will be dealt with by the Company at its discretion.

The Company hereby confirms that in respect of the Rights Issue (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

BPH Energy Ltd ACN 095 912 002
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1. the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act;
3. as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
 - (ii) section 674 of the Corporations Act as it applies to the Company;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act;
5. the potential effect that the issue of the new Shares pursuant to the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. If all shareholders subscribe for their entitlements, then all shareholders will retain their percentage ownership in the Company, and the issue of Shares under the Rights Issue is not expected to have any material effect on the control of the Company. Those shareholders that do not participate in the Offer are likely to have their holdings diluted by approximately 50% and the Underwriters will underwrite the shortfall which could increase the Underwriter's shareholding.

Enquiries:

Any enquiries regarding the Rights Issue should be directed to:

David Breeze

Chairman

+61 8 9328 8366

admin@bphenergy.com.au

Yours sincerely

A handwritten signature in dark ink, appearing to read 'D. Breeze', with a stylized flourish at the end.

David Breeze
Chairman