



22 November 2017

Dear Shareholder

#### **BPH ENERGY LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

As announced on 12 November 2017, BPH Energy Limited (ACN 095 912 002) (**BPH**) is undertaking a 1:1 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 588,702,017 fully paid ordinary shares (**New Shares**) to raise approximately \$1,177,404. The price of New Shares under the Offer is \$0.002 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 22 November 2017.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Investment in Oil and Gas	740,000	62.85%
2.	Investment in Cortical and HLS5 <sup>1</sup>	40,000	3.40%
3.	Maximum off-set amount <sup>2</sup>	166,031	14.10%
4.	Expenses of the Offer <sup>3</sup>	46,044	3.91%
5.	Working Capital	185,329	15.74%
	<b>Total</b>	<b>\$1,177,404</b>	<b>100%</b>

**Notes:**

1. Refer to ASX announcement dated 14 November 2017 for further details in relation to Cortical and the HLS5 investment.
2. The amount of funds raised will be reduced by up to a maximum of \$166,031 due to offsets against fees owed by the Company to current and former Directors, and loans granted by the Company to Grandbridge Limited. The Company has agreed to offset Mr David Breeze's Entitlements up to a maximum of \$71,783, Mr Greg Gilbert's (a former Director) Entitlements up to a maximum of \$1,923, Mr Tom Fontaine's (a former Director) Entitlements up to a maximum of \$8,769, and Grandbridge Securities Pty Ltd's and Grandbridge Limited's Entitlements up to a maximum of \$83,556. The effect on the Offer will be that the total funds raised will be reduced by up to a maximum of \$166,031 to \$1,011,373 (before costs). For further details, refer to section 6.3 of the Prospectus.
3. Refer to Section 9.6 of the Prospectus for further details relating to the estimated expenses of the Offer.

In the event that the Company raises less than the full subscription, the funds will be applied firstly to the expenses of the offer then pro-rata for the remaining items 1, 2, 3 and 5.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 28 November 2017, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 588,702,017 New Shares resulting in total Shares on issue of approximately 1,177,404,034.

A copy of the Prospectus is available on ASX's website. Eligible Shareholders will be mailed a Prospectus together with an Application Form no later than 1 December 2017. Your entitlement will be set out on the personalised Application Form accompanying the Prospectus.

### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry (**Share Registry**) by no later than 5:00pm (WST) on 18 December 2017, by completing and returning your Application Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Application Form, or by making a payment by BPAY in accordance with the instructions on your Application Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 18 December 2017, by completing and returning your Application Form by filling in the number of New Shares you wish to accept in the space provided on the Application Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or by making a payment by BPAY in accordance with the instructions on your Application Form (at \$0.002 per New Share).
- Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then applications for Shortfall Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus or by completing a BPAY® payment in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

### **Key dates for the Offer**

<b>Event</b>	<b>Proposed Date</b>
Lodgement of Prospectus with the ASIC	22 November 2017
Lodgement of Prospectus & Appendix 3B with ASX	22 November 2017
Notice sent to Optionholders	22 November 2017
Notice sent to Shareholders	24 November 2017
Ex-date	27 November 2017
Record Date for determining Entitlements	28 November 2017
Prospectus sent out to Shareholders & Company announces this has been completed	1 December 2017
Last day to extend Offer Closing Date	13 December 2017
Closing Date*	18 December 2017

Shares quoted on a deferred settlement basis	19 December 2017
ASX notified of under subscriptions	21 December 2017
Issue date/Shares entered into Shareholders' security holdings	27 December 2017
Quotation of Shares issued under the Offer*	28 December 2017

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or BPH's Company Secretary, on +61 8 9328 8366.

Yours sincerely



**David Breeze**  
**CHAIRMAN**