

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

A-Cap Energy Limited

ABN

28 104 028 542

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1      +Class of +securities issued or to be issued

1) Performance Rights  
2) Unlisted options

2      Number of +securities issued or to be issued (if known) or maximum number which may be issued

1) 26,000,000  
2) 9,000,000

+ See chapter 19 for defined terms.

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|---|---|
| <p>3 Principal terms of the <sup>+</sup>securities (e.g. if options, exercise price and expiry date; if partly paid <sup>+</sup>securities, the amount outstanding and due dates for payment; if <sup>+</sup>convertible securities, the conversion price and dates for conversion)</p> | <ol style="list-style-type: none"> <li>1) Convertible into fully paid ordinary shares on a 1:1 basis pursuant to the terms of the A-Cap Director Long Term Incentive Share Plan approved at the Company's AGM on 22 November 2018 and the following vesting performance measures: <ol style="list-style-type: none"> <li>a. 25% to vest upon the Closing Price of A-Cap Energy Limited is at least \$0.10 (10 cents) for 10 consecutive trading days.</li> <li>b. 25% to vest upon the Closing Price of A-Cap Energy Limited is at least \$0.115 (11.5 cents) for 10 consecutive trading days subject to an overriding condition that the Company's Total Shareholder Return (TSR) is at least equal to that of the ASX Small Resources Index for a trailing 6-month period preceding the vesting date;</li> <li>c. 25% to vest upon the Closing Price of A-Cap Energy Limited is at least \$0.16 (16 cents) for 10 consecutive trading days.</li> <li>d. 25% to vest upon the Closing Price of A-Cap Energy Limited is at least \$0.18 (18 cents) for 10 consecutive trading days subject to an overriding condition that the Company's TSR is at least equal to that of the ASX Small Resources Index for a trailing 6-month period preceding the vesting date;</li> </ol> </li> <li>2) Unlisted options issued pursuant to A-Cap Executive and Consultant Share Option Plan approved by shareholders at the Company's AGM on 22 November 2018, exercisable at \$0.115 (11.5 cents) on or before 17 June 2022 and subject to the following vesting conditions: <ol style="list-style-type: none"> <li>a. 25% of options to vest following a continuous period of one year as an eligible participant and the closing price of A-Cap Energy Limited is at least \$0.115 (11.5 cents) for 10 consecutive trading days;</li> <li>b. 25% of options to vest following a continuous period of two years as an eligible participant and the closing price of A-Cap Energy Limited is at least \$0.115 (11.5 cents) for 10 consecutive trading days;</li> <li>c. 50% of options to vest following a continuous period of three years as an eligible participant and the closing price of A-Cap Energy Limited is at least \$0.115 (11.5 cents) for 10 consecutive trading days;</li> </ol> </li> </ol> |
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<sup>+</sup> See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <p style="margin-left: 20px;">) the date from which they do</p> <p style="margin-left: 20px;">) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</p> <p style="margin-left: 20px;">) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>	<p>1) No. These are unquoted securities. On vesting, the performance rights will convert into fully paid ordinary shares which will rank equally with existing quoted fully paid ordinary shares currently on issue.</p> <p>2) No, however shares issued as a result of the exercise of these options will rank equally with existing fully paid ordinary shares from the date of allotment.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1) Performance Rights under the A-Cap Director Long Term Incentive Share Plan seek to:</p> <ul style="list-style-type: none"> <li>a. link the reward of Directors to the performance of the Company and the creation of shareholder value</li> <li>b. align the interests of Directors more closely with those of shareholders.</li> </ul> <p>2) Options issued under the A-Cap Executive and Consultant Share Option Plan provides certain employees and executives, as determined by the Board, an opportunity to accept an offer from the Company to acquire an option to acquire Shares. Such an employee incentive scheme assists the Company with recruitment, reward, retention and motivation of certain employees and executives of the Company.</p>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>

<sup>+</sup> See chapter 19 for defined terms.

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**New issue announcement**

6b	The date the security holder resolution under rule 7.1A was passed	NA
6c	Number of +securities issued without security holder approval under rule 7.1	NIL
6d	Number of +securities issued with security holder approval under rule 7.1A	NIL
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	26,000,000 unlisted performance rights (22 November 2018)
6f	Number of +securities issued under an exception in rule 7.2	9,000,000 unlisted options
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	NA
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NA
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	130,782,730
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	18 December 2018

+ See chapter 19 for defined terms.

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		871,884,866	Ordinary fully paid

9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		26,000,000 9,010,000	Performance Rights Options over ordinary shares

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change from existing policy in ordinary shares
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## Part 2 - Pro rata issue

11	Is security holder approval required?	NA
12	Is the issue renounceable or non-renounceable?	NA
13	Ratio in which the <sup>+</sup> securities will be offered	NA
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	NA
15	<sup>+</sup> Record date to determine entitlements	NA
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17	Policy for deciding entitlements in relation to fractions	NA

+ See chapter 19 for defined terms.

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18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.</small>  <small>Cross reference: rule 7.7.</small>	NA
19	Closing date for receipt of acceptances or renunciations	NA
20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	NA
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do security holders sell their	NA

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+ See chapter 19 for defined terms.

	entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA
32	How do security holders dispose of their entitlements (except by sale through a broker)?	NA
33	*Issue date	NA

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

##### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

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+ See chapter 19 for defined terms.

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**New issue announcement**

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38	Number of *securities for which *quotation is sought					
39	*Class of *securities for which quotation is sought					
40	<p>Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?</p> <p>If the additional *securities do not rank equally, please state:</p> <p>    ) the date from which they do</p> <p>    ) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</p> <p>    ) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another *security, clearly identify that other *security)</p>					
42	Number and *class of all *securities quoted on ASX ( <i>including</i> the *securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

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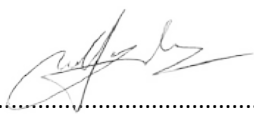
+ See chapter 19 for defined terms.



**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - ) The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - ) There is no reason why those +securities should not be granted +quotation.
  - ) An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - ) Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - ) If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
.....  
(Company secretary)

Date: 18/12/18  
.....

Print name:

Nicholas Yeak  
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