



ASX announcement

21 March 2019

ENEABBA GAS TERMINATES ARGENTINA LITHIUM TRANSACTION

- **Eneabba has terminated the agreement for the proposed acquisition of prospective lithium exploration projects in Argentina**
- **CPS Capital engaged to lead manage and underwrite an entitlement offer for approximately \$785,000 (before costs)**

Termination of Heads of Agreement

Eneabba Gas Limited (ASX: ENB) (**Eneabba** or **Company**) refers to its announcement dated 15 March 2018 in respect of the binding heads of agreement (**Heads of Agreement**) to acquire all the securities in Domingo Lithium Pty Ltd (**Domingo**) (**Proposed Acquisition**), the holder of applications for exploration permits in Argentina and Australia.

As notified to ASX on several occasions since the execution of the Heads of Agreement, Domingo has experienced delays in securing tenure of the Argentina tenements, a key condition for completion of the transactions underlying the Proposed Acquisition.

Repeated assurances from Domingo's Argentina partners that the issue of the relevant exploration permits was imminent have regrettably been premature, and it continues to be the case that a timeline for completion of the Proposed Acquisition and reinstatement to quotation cannot be predicted with any certainty.

Accordingly, the Eneabba directors have taken the view that, given the continuing uncertainty around the Proposed Acquisition, it is no longer in shareholders' interests to continue to pursue the Argentina-focused lithium exploration strategy, and have exercised Eneabba's right to terminate the Heads of Agreement with immediate effect for failure to satisfy conditions precedent within the specified timeframe.

The directors are conscious of the Company's obligations under the listing rules to achieve a level of operations sufficient to warrant the re-quotation of the Company's securities and its continued listing, and will now take steps to identify an alternative acquisition strategy to ensure re-compliance and re-quotation can be achieved as soon as possible.

Capital raising

The Company's financial position has been significantly eroded by the costs incurred in respect of the Proposed Acquisition, and CPS Capital has been engaged to lead manage and underwrite an

entitlement offer to raise approximately \$785,000 (before costs) (**Offer**). The Company expects to provide full details of the Offer shortly and despatch Offer documents during the week ending 5 April 2019.

The funds raised from the Offer will be used to meet the Company's general working capital requirements and to fund due diligence on potential acquisition targets.

For further information, please contact:

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