

Share Purchase Plan Offer

Toro Energy Limited

ACN 117 127 590

The Offer closes at 5pm (WST) on Friday, 18 October 2019

This is an important document and should be read in its entirety.

This document has been prepared by Toro Energy Limited. The Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase additional Shares at a discount without brokerage and transaction costs.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR FOR THE BENEFIT OF US PERSONS

Contents

Key Offer Information	1
Letter to Eligible Shareholders	2
Frequently Asked Questions	3
Terms and Conditions of the Share Purchase Plan	5

Key Offer Information

Introduction

Toro Energy Limited (**Company**) is pleased to provide Eligible Shareholders the opportunity to subscribe for up to \$30,000 of new fully paid ordinary shares in the Company (**New Shares**) under a share purchase plan on the terms and conditions set out in this document (**Offer**). Participation in the Offer will not incur brokerage costs. This document has been issued by the Company and explains the features of the Offer.

Key Dates

Event	Date
Record Date	5pm (WST) on Wednesday, 25 September 2019
Announcement Date	Thursday, 26 September 2019
Offer Documents mailed to Eligible Shareholders	Friday, 27 September 2019
Offer opens	Friday, 27 September 2019
Offer closes	5pm (WST) Friday, 18 October 2019
Allotment Date	Friday, 25 October 2019
Shortfall settled	Friday, 25 October 2019
Commencement of trading of New Shares	Monday, 28 October 2019

The timetable is indicative only and the Company may, at its discretion, vary any of the above dates (other than the Record Date) by making an announcement to ASX.

Defined terms and abbreviations used in this document are set out in **clause 0** of the Terms and Conditions.

Important Notices

The offer contained in this document is not a recommendation to purchase New Shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY^{®1} payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date.

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Offer Price. If the market price of Shares is lower than the Offer Price after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

This document has been prepared to comply with the requirements of the laws of Australia. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia except to the extent permitted below.

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The offer of New Shares under the Plan is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

The Company recommends that you monitor its announcements and the Share price, which can be found on its website at www.toroenergy.com.au and on the ASX website at www.asx.com.au (ASX code:TOE).

Further information

Please refer to the announcement made by Company on Thursday, 27 September 2019 for further background and information in relation to the Offer.

If you have any questions in relation to the Offer or how to complete the Application Form, please call the Share Registry, Advanced Share Registry Services, on (08) 9389 8033 (callers within Australia) or +61 8 9389 8033 (callers outside Australia), or consult your financial or other professional adviser.

¹ [®] Registered to BPAY Pty Limited ABN 69 079 137 518. New Zealand based shareholders cannot apply using BPAY[®] unless they have an Australian bank account.

Letter to Eligible Shareholders

26 September 2019

Dear Shareholder

Toro Energy Limited Share Purchase Plan Offer

On behalf of the Toro Energy Limited (**Toro** or the **Company**) Board of Directors, I am pleased to provide Eligible Shareholders with the opportunity to participate in the Company's Share Purchase Plan (**SPP**). Under the SPP you can subscribe for up to A\$30,000 worth of new fully paid ordinary shares in Company (**New Shares**) without paying any brokerage or other charges subject to the Terms and Conditions detailed in this booklet.

Under the SPP, Eligible Shareholders may elect to apply to purchase a parcel of shares with a dollar amount totalling \$2,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000.

The SPP issue price will be a 20% discount to the volume-weighted average market price (**VWAP**) of the Company's shares traded on the Australian Securities Exchange (**ASX**) over the last 5 days on which such sales were recorded immediately prior to the date the New Shares are issued under the SPP, rounded up to the nearest tenth of a cent.

The Company is seeking to raise a minimum of \$3,500,000 under the SPP. The SPP is underwritten by Patersons Securities Limited (**Underwriter**) to the value of \$3,500,000 (**Underwritten Amount**).

Funds raised under the SPP will be used to undertake a 4,000m reverse circulation (**RC**) drill program at the Company's 100% owned Yandal Gold Project, to retire up to \$2,000,000 of debt owed to major shareholder, The Sentient Group, to advance uranium and vanadium processing studies at the Wiluna Uranium Project (including vanadium resource estimation) and for general working capital and corporate purposes.

Participation in the SPP is optional and is open to shareholders who were registered as holders of Shares at 5pm (WST) on Wednesday, 25 September 2019 and whose registered address is in Australia or New Zealand. New Zealand shareholders must still be a shareholder on the date the Offer opens (i.e Friday, 27 September 2019).

The offer to participate in the SPP will open on Friday, 27 September 2019 and will remain open until 5pm (WST) on Friday, 18 October 2019.

Full details of the SPP and how to participate are contained in the Terms and Conditions accompanying this document which I encourage you to read and consider carefully.

Thank you for your continued support of the Company.

Yours sincerely,



Richard Homsany

Executive Chairman
Toro Energy Limited

Frequently Asked Questions

This section provides a summary of the key aspects of the Offer. You should read it in conjunction with the terms and conditions of the Offer provided in the annexure to this document.

What is the Offer?	<p>This share purchase plan is a means by which Eligible Shareholders may subscribe for up to \$30,000 worth of New Shares without brokerage or other transaction costs. New Shares issued under the Offer will rank equally with other Shares as at the date of issue, and will be able to be traded on ASX (subject to ASX granting quotation of the New Shares).</p> <p>The Company is seeking to raise a minimum of \$3,500,000 under the Offer, and the Offer is underwritten to that amount. If total applications in the SPP exceed the \$3,500,000 to be raised under the Offer, the Directors may, in their absolute discretion, accept or scaleback all applications on an equitable basis. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions (up to the maximum permitted by the ASX Listing Rules).</p>
Who is eligible to participate in the Offer?	<p>Shareholders with a registered address in either Australia (and its external territories) or New Zealand as at 5pm (WST) on Wednesday, 25 September 2019 are eligible to participate in the Offer, provided that such shareholder is not in the United States and is not, and is not acting for the account or benefit of, a US Person. For New Zealand shareholders, you must still be a shareholder at the date of the Offer, that is Friday, 27 September 2019.</p>
Do I have to participate in the Offer?	<p>No. Participation is voluntary. If you do not wish to participate in the Offer, you do not need to do anything, and the Offer will lapse at 5pm (WST) on Friday, 18 October 2019.</p>
Can a third party participate in the Offer in my place?	<p>No. The Offer is non-renounceable and cannot be transferred.</p>
How much can I invest under the Offer?	<p>The maximum investment under the Offer is \$30,000. You may apply to purchase a parcel of \$2,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000 worth of New Shares.</p> <p>The number of New Shares is rounded up to the nearest whole number after dividing the dollar amount by the Offer Price.</p>
What is the issue price of New Shares under the Offer	<p>The New Shares under the SPP will be issued at a 20% discount to the volume-weighted average market price (VWAP) for the Shares calculated over the last 5 days on which sales in Shares were recorded immediately prior to the Allotment Date (as defined in the Key Dates timetable above), rounded up to the nearest tenth of a cent.</p> <p>The New Shares are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the New Shares are issued. This means that the price paid for a New Share under the SPP may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders and affect the actual number of New Shares to be issued to each applicant pursuant to the SPP.</p>
How do I apply for New Shares under the Offer?	<p>If you wish to participate in the Offer, you need to do either of the following:</p> <p>Option 1 To pay via BPAY you will need to:</p> <p>Pay via BPAY®</p> <ul style="list-style-type: none"> • be an account holder with an Australian financial institution; • use the personalised reference number shown on your Application Form, which is required to identify your holding; and • ensure that your payment is received by the Share Registry before 5.00pm (WST) on Friday, 18 October 2019. <p>If paying via BPAY, you do not need to complete and submit the Application Form but you will be taken to have made the statements and certifications on the Application Form.</p> <p>Please note that your financial institution may implement earlier cut-off times with regards to electronic payment. Please take this into consideration when making payment via BPAY.</p> <p>Option 2 Please complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to "Toro Energy Limited" to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of shareholders in Australia, and a self-addressed envelope is enclosed for the convenience of shareholders outside Australia.</p> <p>Your completed Application Form and cheque must be received by the Share Registry prior to the close of the Offer at 5.00pm (WST) on Friday, 18 October 2019. Shareholders in New Zealand will need to affix the appropriate postage to the self-addressed envelope.</p>
Are there any other terms and conditions attached to the Offer?	<p>The terms and conditions relating to the Offer are set out in full in the annexure to this document. Please read the Terms and Conditions carefully, as you will be bound by them in participating in the Offer. Shareholders accepting the Offer will also be bound by the constitution of the Company.</p>

What is the maximum investment for each shareholder?	The maximum investment for each shareholder is \$30,000. You may not apply for more than \$30,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
How many New Shares will I receive?	<p>You may apply for a parcel of New Shares with one of the application amounts set out in clause 6 of the Terms and Conditions.</p> <p>In the absence of the Company exercising its right to scale back your entitlement (see clause 10 of the Terms and Conditions), the number of New Shares to be issued to you will be calculated by dividing your chosen application amount by the Offer Price, with any resulting fractions of a New Share being rounded up to the nearest whole number of New Shares.</p>
When will I receive my New Shares?	New Shares are expected to be allotted on Friday, 25 October 2019 (Allotment Date). Holding statements are expected to be despatched by Monday, 28 October 2019
When can I trade allocated New Shares?	You can trade your New Shares after the Allotment Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the Offer.
Is the Offer underwritten?	<p>Yes, the Offer is underwritten by Patersons Securities Limited (ABN 69 008 896 311) (Underwriter) to the value of \$3,500,000 (Underwritten Amount).</p> <p>In the event that Eligible Shareholders do not subscribe for New Shares under the Offer to the value of the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement, be placed to nominees of the Underwriter at its direction.</p>

Terms and Conditions of the Share Purchase Plan

1. Offer

- 1.1. The Offer entitles eligible shareholders of the Company to apply to purchase up to \$30,000 worth of New Shares through this share purchase plan.

2. Eligibility to participate

- 2.1. You are eligible to participate in the Offer if you were a registered holder of Shares at 5pm (WST) on Wednesday, 25 September 2019 (**Record Date**) with a registered address in Australia (and its external territories) or New Zealand, unless:
- (a) you hold Shares on behalf of another person who resides outside Australia (and its external territories) or New Zealand; or
 - (b) you are, or are acting for the account or benefit of, a US Person.
- 2.2. For New Zealand shareholders, you must still be a shareholder at the date of the Offer, that is Friday, 27 September 2019.
- 2.3. The Company has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia (and its external territories) and New Zealand to participate in the Offer.
- 2.4. If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for a maximum of \$30,000 of New Shares in aggregate under the Offer.
- 2.5. Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 7.1(l)** by one joint holder will be effective in respect of the other joint holder(s).
- 2.6. If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 7.2**.

3. Rights to apply for New Shares are non-renounceable

- 3.1. If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4. Offer Price

- 4.1. The New Shares to be issued under the Offer will be issued at a 20% discount to the volume-weighted average market price (**VWAP**) for Shares of the Company calculated over the last 5 days on which sales in the Shares were recorded before the Allotment Date, rounded up to the nearest tenth of a cent.
- 4.2. The New Shares are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the New Shares are issued. This means that the price paid for a New Share under the SPP may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders and affect the actual number of New Shares to be issued to each applicant pursuant to the SPP.

5. Timing

- 5.1. The Offer opens on Friday, 27 September 2019 and closes at 5pm (WST) on Friday, 18 October 2019, unless extended. The Company proposes to allot New Shares on Friday, 25 October 2019 and send confirmations to shareholders by Monday, 28 October 2019.
- 5.2. The Company reserves the right to extend the Offer or the proposed Allotment Date at any time by making an announcement to ASX.

6. Applying for New Shares

You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in the table below. The maximum investment by an Eligible Shareholder under the Offer is \$30,000.

Amounts Payable
\$30,000
\$20,000
\$15,000
\$10,000
\$5,000
\$2,000

- 6.1. If you apply for New Shares under the Offer, you are applying for a certain value of New Shares at the Offer Price (defined above), rather than a certain number of New Shares. Fractional New Shares will not be issued and any fraction of a New Share will be rounded up to the nearest whole number of New Shares.
- 6.2. You may not apply for more than \$30,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.3. If you wish to apply for New Shares under the Offer you should either:
 - (a) pay directly via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account). Please ensure that your payment is received by the Share Registry before 5pm (WST) on Friday, 18 October 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received in time. The Application Form does not need to be returned in this case. Please note that New Zealand shareholders having an Australian bank account can also use BPay®; or
 - (b) complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to "Toro Energy Limited" to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders. Application Forms (with application payments) must be received by the Share Registry by 5pm (WST) on Friday, 18 October 2019.
- 6.4. Do not forward cash. Receipts for payment will not be issued.
- 6.5. Funds paid via BPAY® or Application Forms (with application payments) must be received by the Share Registry by the applicable time (specified above) on Friday, 18 October 2019. The Company may reject applications received after this time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.6. If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, the Company may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.7. You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY®.

7. Effect of making an application

- 7.1. If you submit a BPAY® payment or complete and return the Application Form:
 - (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you declare that all details and statements in your application are true and complete and not misleading;
 - (c) you authorise the Company to correct or amend your Application Form as contemplated by **clause 6.6**;
 - (d) you acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
 - (e) you accept the risk associated with any refund that may be despatched by direct credit or cheque to you at your address as shown on the Share register;
 - (f) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
 - (g) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (h) you are lawfully permitted to accept the Offer and participate in the Plan in accordance with the terms and conditions of the Offer and all applicable laws;
 - (i) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;

- (j) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
- (k) you acknowledge that you have not been provided with investment advice or financial product advice by the Company or the Share Registry;
- (l) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Company arrangement in the 12 months prior to your application, exceeds \$30,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s);
- (m) you authorise the Company and its affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions; and
- (n) the Company may at any time irrevocably determine that your application is valid in accordance with these Terms and Conditions, even if the application is incomplete, contains errors or is otherwise defective.

7.2. If you are a Custodian, you certify:

- (a) that, as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have been provided with a copy of this document and instructed you to apply for New Shares;
- (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- (c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Company arrangement in the 12 months prior to your application, exceed \$30,000; and
- (d) that you:
 - (i) hold an Australian financial services licence that covers the provision of a custodial or depository service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in ASIC Class Order CO 13/763); or
 - (ii) do not hold an Australian financial services licence for the provision of a custodial or depository service as described in the ASIC Instrument and are exempt from the requirement to hold such a licence; or
 - (iii) otherwise meet the definition of Custodian in the ASIC Instrument.

7.3. Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.

7.4. Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the ASIC Instrument, you cannot participate for beneficiaries in the manner outlined in **clause 7.2** above. In this case, the rules for multiple registered holdings as described in **clause 2.4** apply.

8. Rights attached to the New Shares

8.1. New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. The Company will apply for the New Shares to be quoted on ASX.

9. Costs of participation

9.1. No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the Offer.

10. Right to scale back entitlements or accept oversubscriptions

10.1. Under the Offer, the Company seeks to raise a minimum of \$3,500,000. Notwithstanding this, the Company reserves absolute discretion regarding the amount raised under the SPP.

10.2. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, accept or scale-back all applications on an equitable basis.

10.3. If applications under the SPP are received in excess of \$3,500,000, the Company retains the absolute discretion to issue more New Shares to satisfy all or part of such applications up to the maximum permitted under the ASX Listing Rules. If the Company rejects or scales back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

11. Refunds

- 11.1. Refunds under the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 11.2. If a refund is made, payment will be by cheque mailed to your address as shown on the Share register.
- 11.3. You will not receive any interest on funds refunded to you.
- 11.4. Any refund made to you is despatched at your risk.

12. United States

- 12.1. Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.
- 12.2. This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. The Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.
- 12.3. Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by Bpay® or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

13. Dispute resolution

- 13.1. The Company reserves the right to settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer. The Company's decision will be conclusive and binding on all shareholders and other persons to whom the determination relates.

14. Waiver, amendment, suspension and termination

- 14.1. The Company may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where the Company does not notify you of the event.
- 14.2. The Company is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.
- 14.3. The Company reserves the right not to issue New Shares or to issue fewer New Shares than that applied for under the Plan by an Eligible Shareholder (including a Custodian applying on behalf of its beneficiaries) if the Company believes that the issue of those New Shares would contravene any law or the ASX Listing Rules.

15. ASIC relief

- 15.1. The Offer is made in accordance with the ASIC Instrument. The ASIC Instrument grants relief from the requirement to prepare a prospectus for the offer of New Shares up to \$30,000 under the Offer, subject to certain terms and conditions.
- 15.2. In accordance with the terms of the ASIC Instrument, the Company will give a notice to ASX that complies with the ASIC Instrument.

16. Governing law

- 16.1. These Terms and Conditions are governed by the laws in force in Western Australia.

17. Binding terms

- 17.1. By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of the Company (as amended from time to time).

18. Underwriting

- 18.1. The Offer is underwritten by Patersons Securities Limited (ABN 69 008 896 311) (Underwriter) to the value of \$3,500,000 (Underwritten Amount). In the event that Eligible Shareholders do not subscribe for New Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement, be placed to nominees of the Underwriter at its direction.
- 18.2. The underwriting agreement between the Underwriter and the Company contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either party.
- 18.3. In addition, upon completion of the Offer and subject to the Company's remaining available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A, the Company may at the Underwriter's election undertake a separate placement of Shares to raise up to a further circa \$2,500,000 (before costs) (Top-Up Placement). The Top-Up Placement will be conducted by Patersons Securities Limited as lead manager to the Top-Up Placement. The Top-Up Placement is not underwritten.
- 18.4. The Underwriter will be paid an underwriting fee of 6% of the total gross amount raised under the SPP and the Top-Up Placement (if any).

19. Definitions

In this document the following terms have these meanings:

\$	Australian dollars.
Allotment Date	The date the New Shares are allotted, expected to be Friday, 25 October 2019.
Application Form	The application form which accompanies this document.
ASIC	The Australian Securities and Investments Commission.
ASIC Instrument	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Company	Toro Energy Limited ACN 117 127 590.
Corporations Act	<i>The Corporations Act 2001</i> (Cth).
Custodian	The meaning given in the ASIC Instrument.
Directors	The directors of the Company.
Eligible Shareholder	A person who is eligible to participate in the Offer in accordance with clause 2 of the Terms and Conditions.
New Shares	The Shares offered in this document.
Offer	The offer of New Shares in this document.
Offer Price	The amount equal to a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares were recorded on the ASX immediately prior to the Allotment Date, rounded up to the nearest tenth of a cent.
Record Date	The record date for the Offer being 5pm (WST) on Wednesday, 25 September 2019.
Share Purchase Plan Offer, SPP or Plan	This document.
Share Registry	Advanced Share Registry Ltd ACN 127 175 946.
Shares	Fully paid ordinary shares in the capital of the Company.
Terms and Conditions	The terms and conditions of the Offer set out in this document.
Underwriter	Patersons Securities Limited ABN 69 008 896 311.
Underwritten Amount	\$3,500,000.
US Person	A “U.S. person” as defined in Regulation S under the US Securities Act.
US Securities Act	The US Securities Act of 1933, as amended.
VWAP	Has the meaning given to that term in the Official Listing Rules of the ASX.