



ACN: 062 284 084
ASX Code: SYS

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

23 June 2020

SYNGAS SEEKS TO DELIST FROM OFFICIAL LIST OF ASX

Syngas Limited (ASX: SYS) (**Syngas** or **Company**) announces that it has formally applied to the Australian Securities Exchange (**ASX**) requesting the removal of the Company from the official list of ASX (**Official List**) pursuant to ASX Listing Rule 17.11 and ASX has accepted its application and resolved to remove the Company from the Official List subject to the satisfaction of the conditions set out in the ASX decision outlined in Annexure A.

1. REASONS FOR DELISTING FROM THE ASX

The key reasons for the Company seeking removal from the Official List are:

- (a) **(Lack of liquidity)**: ASX suspended the Company from official quotation on 5 September 2018. As such, there has been no trading in the Company's shares on ASX since that time. The Company notes that, in accordance with ASX policy set out in ASX Guidance Note 33, if the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules by 5 September 2020, ASX would remove the Company from the official list of ASX at commencement of trading on the following trading day.
- (b) **(Completion of Acquisition)**: As announced on 17 October 2019, the Company signed a term sheet to acquire all of the shares in Half Moon Pty Ltd (**HMP**), the holder of tenements in South Australia and the holder of a 78% interest in the Western Gawler Craton Joint Venture (**JV**), as well as tenements held by Trafford Resources Pty Ltd (**Trafford**) (collectively, the **Jumbuck Gold Project**) (**Acquisition**). The Company is seeking to be removed from the official list to enable it to complete the Acquisition. The Company's proposed re-compliance with Chapters 1 and 2 of the ASX Listing Rules has been significantly delayed as a result of an ongoing dispute regarding the JV and the current market environment. ASX advised the Company that it would not allow the Company to complete the Acquisition as part of a transaction to re-comply with Chapters 1 and 2 of the ASX Listing Rules unless the dispute regarding the JV was resolved. The substantial delay in the resolution of the JV dispute has put completion of the Acquisition at risk and the Company will be unable to resolve the JV dispute and complete the re-compliance within the required time periods. Accordingly, Syngas sought approval for its removal from the Official List in order to allow Syngas to complete the Acquisition. To assist with completion of the Acquisition, AsiaPacific Businesslink Sdn Bhd, a company related to Director, Datuk Siak Wei Low, has agreed to provide a \$1.3 million unsecured loan facility to finance the Acquisition and for working capital of the Company.

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- (c) **(Listing costs):** Maintaining an ASX listing adds additional costs to the Company's business. The Board estimates that costs attributable to the Company's ASX listing are approximately \$250,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be directed elsewhere if the Company was unlisted.
- (d) **(Limited Operations):** The Company has limited operations and therefore, there is little benefit from being listed in terms of raising funds.
- (e) **(Minority shareholders):** Delisting of the Company will not result in any substantial diminution of the protection for minority shareholders provided by the Corporations Act 2001 (Cth) given that the Company's shareholders do not presently have the benefit of liquidity in their shares.

The Company does not intend to undertake any share sale facility or other facility for shareholders to dispose of their shares in the Company. Shareholders are not currently able to dispose of their shareholding in the Company on ASX as the Company has been suspended since September 2018.

Following the delisting and restructuring of the Company, Syngas may seek to list on the ASX at a later stage if the Board determines that it is suitable for the development of the Company's business.

2. CONSEQUENCES OF REMOVAL FROM THE OFFICIAL LIST

The consequences for Syngas' removal from the Official List of the ASX include:

- (a) Syngas' Shares will no longer be quoted on ASX and will no longer be traded on the ASX.
- (b) Shareholders will only be able to sell their Syngas Shares via off-market private transactions in accordance with the Company's constitution. Shareholders who wish to sell their Shares after the Company is delisted will need to find a buyer for their Shares and complete a standard off-market transfer form, and provide it to the Company's share registry for processing.
- (c) The ASX Listing Rules will no longer apply to Syngas and shareholder protections contained in the ASX Listing Rules will no longer apply, including certain restrictions on the issue of Shares by Syngas, certain restrictions in relation to transactions with persons in a position of influence and the requirement to address the ASX Corporate Governance Principles and Recommendations on an annual basis. However, Syngas will continue to be subject to, and the Shareholders will still have the benefit of, certain provisions of the Corporation Act 2001 (Cth) (**Corporations Act**) applicable to unlisted public companies including, among other things, the related party provisions in Chapter 2E of the Corporations Act.
- (d) While the Company continues to have in excess of 300 shareholders, Syngas will be an 'unlisted disclosing entity' for the purposes of the Corporations Act, and will therefore remain subject to the continuous disclosure provisions in section 675 of the Corporations Act, which require an entity to lodge certain material information with the Australian Securities and Investments Commission (**ASIC**).
- (e) The Company will also continue to be subject to obligations to prepare audited annual and half-yearly financial statements under Part 2M.3 of the

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Corporations Act and will be required to hold an AGM at least once each calendar year and within five months after the end of its financial year in accordance with section 250N of the Corporations Act. Moreover, Shareholders will continue to receive the benefit of the protections under Chapter 6 of the Corporations Act (for so long as the Company has 50 shareholders or more).

If a shareholder of the Company considers the proposed delisting to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

If a shareholder of the Company considers the proposed delisting involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

3. SHAREHOLDER APPROVAL

The proposed delisting is subject to shareholder approval (as a special resolution at a general meeting likely to be held in July/August 2020). Further details relating to the proposed delisting, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting which will be despatched to shareholders in due course. All shareholders will be entitled to vote on the resolution.

Please note that as the Company's shares are suspended from trading, ASX has advised that the Company does not need to comply with the usual condition that removal from the Official List will not take place any earlier than one month after shareholder approval has been obtained.

The indicative timetable for the proposed delisting is set out below.

Event	Date
General meeting to approve delisting	31 July 2020
Delisting date (if approved)	3 August 2020

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ANNEXURE A – ASX DECISION

Decision

ASX's formal decision is as follows:

1. Based solely on the information provided, ASX Limited ('ASX') resolves to remove Syngas Limited ('SYS') from the Official List of ASX pursuant to Listing Rule 17.11, on a date to be decided in consultation with SYS, subject to compliance with the following conditions.
 - 1.1 SYS's removal from the Official List of ASX is approved by a special resolution of shareholders of SYS.
 - 1.2 The notice of meeting seeking shareholder approval for SYS's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:
 - 1.2.1 a timetable of key dates, including the time and date at which SYS will be removed from ASX if that approval is given; and
 - 1.2.2 details of the processes that will exist after the entity is removed from the Official List to allow a security holder to dispose of their holdings and how they can access those processes.
 - 1.3 SYS releases the full terms of this decision to the market immediately.
2. ASX has considered Listing Rule 17.11 only and makes no statement as to SYS's compliance with other Listing Rules

Basis for confirmation

Listing Rule 17.11

3. ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the ASX Official List at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to security holders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These may include: giving advanced notice, of an amount of time which is adequate to the particular circumstances; seeking security holder approval for delisting; assisting security holders to trade the entity's securities in another market for a period before or after delisting; or providing alternative arrangements for security holders to exit their investment before or after delisting.

Facts/Reasons for granting the confirmation

4. The circumstances faced by SYS are those to which section 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the Official List.
5. The usual condition that the removal of the entity must 'not take place any earlier than one month after security holder approval has been obtained' has not been imposed on the basis that SYS's securities are suspended from Official Quotation, they will be

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suspended on the date of the shareholder meeting and will remain suspended until the date of removal from the Official List.

This announcement has been authorised by the Board of Directors.

For Further Information contact:

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