

# ABILENE OIL AND GAS LIMITED

(ASX: ABL)

9 December 2015

## Pro-Rata Rights Issue Entitlement Offer Notice to shareholders under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (as notionally modified by ASIC Class Order 08/35)

On 9 December 2015, Abilene Oil and Gas Limited (**Abilene** or the **Company**) announced a pro-rata non-renounceable rights issue offer of 1 fully paid ordinary share in the Company (**New Shares**) for every 7 fully paid ordinary shares in the Company held (each fully paid ordinary share in the Company being a '**Share**') at an issue price of \$0.02 per New Share (**Rights Issue**). The Rights Issue is made to a holder of Shares who:

- (a) are registered as a holder of Shares as at 7:00pm (Melbourne time) on Tuesday 15 December 2015 (**Record Date**);
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;
- (c) must not be in the United States and must not be a U.S. Person and not be acting for the account or benefit of a person located in the United States or a U.S. Person; and
- (d) must be eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

### (Eligible Shareholders).

The Rights Issue offers Eligible Shareholders the right to take up 1 New Share for every 7 Shares held as at the Record Date (**Entitlement**).

This notice is given by Abilene under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by Australian Securities and Investments Commission (**ASIC**) Class Order 08/35).

### Details of securities to be issued

<b>Class of securities</b>	Ordinary shares
<b>ASX code of securities</b>	ABL
<b>Date of issue or expected issue of the securities</b>	15 January 2016
<b>Maximum number of securities issued or expected to be issued</b>	a maximum of 52,302,354 New Shares
<b>Offer Price</b>	A\$0.02 (2.0 cents)
<b>Maximum amount to be raised</b>	A\$1,046,047.07

#### **Detail of notice under section 708AA(2)(f)**

In accordance with section 708AA(7) of the Corporations Act, the Company advises that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act (as notionally modified by ASIC Class Order 08/35);
- (c) as at the date of this notice, Abilene has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to Abilene; and
  - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as (as notionally modified by ASIC Class Order 08/35); and
- (e) the potential effects that the issue of the New Shares will have on the control of Abilene, and the consequences of such effects are described below.

#### **Summary of potential control effects of the Rights Issue on Abilene**

The potential control effects that the Rights Issue may have on the shareholders of Abilene, and the consequences of that effect (**Potential Control Effects**), will depend on a number of factors. The Potential Control Effects are described in detail in the Offer Booklet lodged with ASX on 9 December 2015.

The Potential Control Effects of the Rights Issue on Abilene will depend on a number of factors, including:

- (a) the extent to which Eligible Shareholder participate in the Rights Issue;
- (b) the identity of Eligible Shareholders that participate in the Rights Issue.

It is not presently possible for the Directors of Abilene to predict the final level of subscription under the Rights Issue, or the identity of Eligible Shareholders who will subscribe for their Entitlements.

The Potential Control Effects of the Rights Issue on the Company can be summarised as follows:

- If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of Abilene, as the Offer is made pro-rata and in that case no rights would lapse.
- If Eligible Shareholders do not take up their full Entitlements under the Rights Issue, then the interests of those Eligible Shareholders will be diluted.
- The proportional interests of Shareholders who are not Eligible Shareholders will be diluted because they will not be entitled to participate in the Offer.



The following table illustrates how any dilution may impact shareholders that do not participate in the Rights Issue, assuming that the maximum number of New Shares available under the Rights Issue are issued.

Example Shareholder	Holdings as at Record Date	% at Record Date	Entitlement under the Rights Issue	Holdings if Entitlements not taken up	% following allotment of Shares*
Shareholder 1	20,000,000	5.46%	2,857,143	20,000,000	4.81%
Shareholder 2	10,000,000	2.73%	1,428,571	10,000,000	2.40%
Shareholder 3	5,000,000	1.37%	714,286	5,000,000	1.20%
Shareholder 4	2,500,000	0.68%	357,143	2,500,000	0.60%

\* This percentage, which is rounded to 2 decimal places, assumes that all New Shares available under the Rights Issue are issued, other than those which the relevant example Abilene shareholder would have received had they fully participated in the Rights Issue (ie. all other Eligible Shareholders fully participate under the Rights Issue and the example Abilene shareholder does not participate under the Rights Issue).

Detailed information regarding the Rights Issue is set out in the Offer Booklet.

**-ENDS**

**For further information, contact:**

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