



# ALLIGATOR ENERGY LTD

ACN 140 575 604

Ph (07) 3852 4712

Fax (07) 3852 5684

PO Box 338, Spring Hill, Qld 4004

Suite 1, 36 Agnes Street, Fortitude Valley QLD 4006

## ASX ANNOUNCEMENT

5 August 2014

### Alligator Energy Limited – Non-renounceable rights issue (with cleansing notice)

Further to its announcement on 29 July 2014 (**Announcement**), Alligator Energy Limited (**AGE**) is pleased to announce the issue of its offer document (**Offer Document**) for the non-renounceable rights issue to eligible shareholders, on the basis of 1 new share for every 3.5 shares currently held (**New Shares**), to raise approximately \$2,702,985 (**Rights Issue**). This follows the announcement on Friday, 1 August 2014 of the completion of the placement to various sophisticated investors raising \$1,230,000 (**Placement**).

The Rights Issue will be available to all eligible shareholders who hold shares on 11 August 2014 (**Record Date**). As explained in the Announcement, the Rights Issue is not available to shareholders with registered addresses outside of Australia and New Zealand. Eligible shareholders will be entitled to apply for additional shares in excess of their entitlement.

The purpose of the Rights Issue is to raise approximately \$2,702,985, excluding the costs of the Rights Issue. The funds raised from the Rights Issue, together with the funds raised under the Placement, will be used to fund the costs of the Rights Issue, to undertake the drilling program of five priority targets at the Company's Tin Camp Creek Project in the second half of 2014, to assess new targets identified by recent geophysical surveys as the Tin Camp Creek Project, to fulfil any exploration expenditure commitments, to investigate and advance business development opportunities and to provide working capital.

The Rights Issue is fully underwritten by Taylor Collison Limited (**Underwriter**).

The proposed timetable for the Rights Issue is set out in the table below:

Date	Event/s
5 August 2014	Lodgement of Rights Issue Offer Document with ASX
7 August 2014	Trading on Ex basis
11 August 2014	Record Date for Rights Issue (7pm Brisbane time)
14 August 2014	Despatch Offer Documents to shareholders and announce that dispatch has been completed

Date	Event/s
14 August 2014	Rights Issue Opens (9am Brisbane time)
28 August 2014	Rights Issue Closes (5pm Brisbane time)
2 September 2014	Notify ASX of under subscriptions
4 September 2014	Expected date of allotment of New Shares under Rights Issue
5 September 2014	Dispatch of New Shares holding statements
8 September 2014	Normal trading resumes

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

### Cleansing Notice

The Rights Issue is being made without a disclosure document, under the exemption granted in section 708AA of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

Pursuant to section 708AA(7) of the Corporations Act, AGE provides notice of the following:

- (a) AGE will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
- (b) AGE is providing this notice under section 708AA(2)(f) of the Corporations Act.
- (c) As at the date of this notice, AGE has complied with:
  - (1) the provisions of Chapter 2M of the Corporations Act as they apply to AGE; and
  - (2) section 674 of the Corporations Act.
- (d) As at the date of this notice there is no information:
  - (1) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (2) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of AGE; or
    - (B) the rights and liabilities attaching to the New Shares,

except for the following:

The Company will continue to engage in discussions with potential joint venture and farm-in partners to expand or expedite the development of the Company's existing projects and objectives where it adds value. The Company is presently in discussions with a potential joint venture partner on a tenement proximal to the Company's current projects. These negotiations are incomplete and an announcement will be made by the Company if an agreement is entered into

If all shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of AGE. However, the proportional shareholdings of shareholders who are not residents in Australia and New Zealand, may be diluted as those shareholders are not entitled to participate in the Rights Issue. Additionally, if an Eligible Shareholder does not take up their entitlement in full there may be a dilutionary effect on that shareholder's proportionate shareholding.

Eligible shareholders may, in addition to their entitlements, apply for additional New Shares over and above their entitlement at the Offer Price regardless of the size of their present holding (**Additional Shares**). The Rights Issue is also fully underwritten by Taylor Collison. Accordingly, acceptance of entitlements, applications for Additional Shares or the placement of any shortfall with the Underwriter may result in existing shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

The largest shareholder in AGE, Macallum Group Limited (**MGL**) has informed the Board that it is interested in accepting its entitlement and that it has signed a sub-underwriting agreement with Taylor Collison to subscribe for any shortfall under the Rights Issue to a maximum value of \$500,000. The maximum number of New Shares available to be issued to MGL under the Rights Issue is 10,796,698 under their entitlement and another 12,500,000 under their sub-underwriting arrangements, although the number to be allocated under the sub-underwriting arrangements will be reduced if any Shareholders, including MGL, accept their entitlement. Accordingly, MGL's voting power may increase but the Company will limit the allocation to MGL such that its voting power cannot increase to more than 20%.

If no eligible shareholders take up their entitlement, the Underwriter will receive 67,574,625 New Shares, giving them a voting power of 22.22%. However, the Company has been advised by the Underwriter that it has or will have in place sub-underwriting arrangements, including the sub-underwriting agreement with MGL, to ensure that its holding in the Company is significantly less than the maximum 22.22% and, in any event, less than 20%.

#### **Further information**

The Company anticipates that, approximately 67,574,625 New Shares will be issued (this number may have to be increased to 2,842,857 New Shares if all existing option holders exercise their options prior to the Record Date). The New Shares will be issued for \$0.04 each.

Upon completion of the Rights Issue, and assuming that existing option holders do not exercise their options, the issued capital of AEG will comprise approximately 304,085,787 shares.

The New Shares will rank equally in all respects with AGE's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number.

There will be no deferred settlement trading in respect of the New Shares to be issued under the Rights Issue. Trading in the New Shares is expected to commence on 8 September 2014, the first business day following dispatch of the holding statements for the New Shares.

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 5 August 2014.

AGE will send the Offer Document to eligible shareholders on 14 August 2014. AGE encourages all eligible shareholders to participate in the capital raising.

Yours faithfully

A handwritten signature in dark ink, reading "John V. Main.", is positioned above a horizontal line. The signature is written in a cursive, slightly stylized font.

John Main  
Chairman