



ALLIGATOR ENERGY LTD

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ASX ANNOUNCEMENT

6 August 2014

Dear Shareholder

Alligator Energy Limited – non-renounceable rights issue Notice to security holders

Alligator Energy Limited (**AGE** or **Company**) is pleased to announce a non-renounceable fully underwritten rights issue to eligible shareholders, on the basis of 1 new share for every 3.5 shares currently held at an issue price of \$0.04 per share (**New Shares**), to raise approximately \$2,702,985, based on AGE's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 67,574,625 fully paid ordinary shares will be offered under the Rights Issue.

The Rights Issue will be available to all registered shareholders who hold shares at 7pm (Brisbane time) on 11 August 2014 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued under the Rights Issue will rank equally with all shares on issue. Eligible shareholders will also be entitled to apply for additional New Shares in excess of their entitlement.

In accordance with the Listing Rules of the ASX, AGE has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia and New Zealand including in China, Hong Kong, Canada, United Kingdom, Singapore, Thailand, Malaysia and the United States will not be entitled to participate in the Rights Issue.

The purpose of the Rights Issue is to raise approximately \$2,702,985, before the costs of the Rights Issue. The funds raised from the Rights Issue 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.

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

Date	Event/s
5 August 2014	Announcement of Rights Issue and lodgement of Offer Document
5 August 2014	Submit Appendix 3B to ASX
5 August 2014	Lodge s708AA Notice
5 August 2014	Notice sent to option holders
6 August 2014	Notice of Rights Issue sent to Shareholders
7 August 2014	Trading on Ex basis
11 August 2014	Record Date for Rights Issue (7pm Brisbane time)
14 August 2014	Completion of dispatch offer documents to shareholders announced
14 August 2014	Rights Issue Opens (9am Brisbane time)
28 August 2014	Rights Issue Closes (5pm Brisbane time)
29 August 2014	Shares quoted on a deferred settlement basis
4 September 2014	Expected date of allotment of New Shares under Rights Issue and end of deferred settlement trading
5 September 2014	Lodge s708A Notice
5 September 2014	Dispatch of New Shares holding statements
5 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)* (**Corporations Act**) and the ASX Listing Rules.

The Rights Issue is being made without a disclosure document in accordance with section 708AA of the Corporations Act). **The offer document to be issued to Eligible Shareholders (Offer Document) was lodged with ASX on 5 August 2014 and is available on the Company's website www.alligatorenergy.com.au and the ASX website.** AGE will prepare and send the Offer Document to Eligible Shareholders on 14 August 2014, as set out in the timetable above.

Excluded information

AGE advises that as at the date of this notice there is no information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (2) the rights and liabilities attaching to the New Shares,

except for the following information:

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.

Further information

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

Upon completion of the Rights Issue, assuming that it is fully subscribed and assuming that existing option holders do not exercise their options, the issued capital of AEG will comprise approximately 304,085,787 shares. The Company also has 9,950,000 unlisted options on issue exercisable at prices ranging from \$0.15 to \$0.25 each with expiry dates ranging from 27 September 2014 to 7 March 2017 and 2,000,000 unlisted "zero price" options on issue which are subject to performance criteria with expiry dates of 31 January 2015 or 2 May 2017. Details of the issued share capital are included in the Appendix 3B lodged with the ASX on 5 August 2014.

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 change to the dividend policy of the Company as a result of the Rights Issue.

Trading in the New Shares is expected to commence on 5 September 2014, the first business day following the issue of the New Shares. The Rights Issue is non-renounceable therefore entitlements to the New Shares cannot be traded on the ASX.

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 5 August 2014. As stated in that Appendix 3B, the Company currently has capacity to issue 114,174 equity securities pursuant to ASX Listing Rule 7.1 and has not sought nor obtained approval under ASX Listing Rule 7.1A.

The Company will pay to the Underwriter, Taylor Collison Limited, an underwriting fee of 5% of the underwritten amount, a management fee of 1% of the underwritten amount (exclusive of GST) and the reasonable costs and expenses of and incidental to the underwriting.

The Rights Issue is also sub-underwritten by Macallum Group Limited, who is currently the largest shareholder in AGE. Details of the sub-underwriting and the impact that this may have on the control of the Company are set out in Section 3 of the Offer Document. MGL's voting power may increase as a result of the full acceptance of their entitlements under the Rights Issue and then subscribing under its sub-underwriting agreement for additional New Shares which arise under any shortfall under the Rights Issue but the Company will limit the allocation to MGL such that its voting power cannot increase to more than 20%.

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 over a light blue grid background.

John Main
Chairman