Enhanced Oil & Gas Recovery Limited

ABN 67 097 771 581

Phone: +61 2 9258 9900
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Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000
GPO Box 3723 Sydney NSW 2001

ANNOUNCEMENT

(ASX :EOR) Thursday, 30 July 2015

Issue of Shares and Converting Notes

Enhanced Oil & Gas Recovery Limited is pleased to announce that the Company has raised $446,000 by way of the issue of 30,000,000 fully paid ordinary shares at $0.012 per share and 716,667 converting notes at $0.012 per note.

A completed Appendix 3B in respect of the abovementioned share and converting note issue is attached.

For further information contact:

Siew Hong Koh
Director
Tel: +61 2 9258 9900

Graham Kavanagh
Joint Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ENHANCED OIL & GAS RECOVERY LIMITED (ASX:EOR)

ABN

67 097 771 581

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	a) Fully Paid Ordinary Shares (EORAI) b) Converting Notes (Unsecured)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	a) 30,000,000 shares (EORAI) b) 716,667 Notes
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	a) Fully Paid Ordinary Shares (Unquoted) b) Converting Notes – Subject to Shareholders' approval at a General Meeting, all notes shall be converted into ordinary shares on the basis of 1 fully paid ordinary share each per converting note.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	a) Yes Rank pari passu with existing Ordinary Shares (EORAI), potentially subject to ASX escrow conditions and the Company satisfying ASX chapters 1 & 2 of the listing rules. b) After conversion, the new shares will rank pari passu with all other fully paid unlisted ordinary shares (EORAI) of the Company, subject to escrow conditions that might be imposed by ASX.
5	Issue price or consideration	a) 30,000,000 at $0.012 each Total: $360,000 b) 716,667 Notes at $0.012 each Total : $86,000
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Working capital
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	30,000,000 shares (EORAI)
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	72,060,258 (LR 7.1)
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	3 August 2015

8 Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)

Number	+Class
409,810,055	Ordinary Shares (EOR)

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	300,591,666 shares	Unquoted Shares (ASX Code:EORAI) -Fully Paid Ordinary Shares that are potentially subject to ASX escrow conditions and the Company satisfying ASX chapters 1 & 2 of the listing rules.
		21,800,001 notes	Converting Notes (ASX Code: EORAM) - upon shareholders' approval, to convert into ordinary shares on the basis of one ordinary share (EORAI) per note (maturity date: 31/12/2015).

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements *in full* through a broker?	
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .... Date: 30/07/2015
(Director/~~Company secretary~~)

Print name: Siew Hong Koh

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	635,993,388
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	 Nil 44,408,333 (issued on 5/12/2014) Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	680,401,721

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	102,060,258
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	30,000,000
"C"	**30,000,000**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	102,060,258
Subtract "C" *Note: number must be same as shown in Step 3*	30,000,000
Total ["A" x 0.15] – "C"	72,060,258 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	
"E"	

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	
Subtract "E" *Note: number must be same as shown in Step 3*	
Total ["A" x 0.10] – "E"	*Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

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ANNOUNCEMENT

(ASX :EOR) Thursday, 30 July 2015

Cleansing Statement

Notification Pursuant to Section 708A(5) of the Corporations Act 2001

This notice is given by Enhanced Oil & Gas Recovery Limited ("**EOR** or **Company**") under section 708A(5)(e) of the Corporations Act 2001 (Cth) ("**the Act**").

EOR advises that it has today issued 30,000,000 ordinary shares ("**EORAI Shares**") by way of placement of shares with sophisticated investors.

EOR gives notice under section 708A(5)(e) of the Act that:

a) The Shares are issued without disclosure to investors under Part 6D.2 of the Act;

b) As at the date of this notice, EOR has complied with the provisions of Chapter 2M as they apply to EOR, and section 674 of the Act; and

c) As at the date of this notice, there is no information that is 'excluded information' within the meaning of the sections 708A(7) and 708A(8) of the Act which is required to be disclosed by EOR under section 708A(6)(e) of the Act.

For further information contact:

Siew Hong Koh
Director
Tel: +61 2 9258 9900

Graham Kavanagh
Joint Company Secretary

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ANNOUNCEMENT

(ASX: EOR) Thursday, 30 July 2015

Converting Notes

Enhanced Oil & Gas Recovery Limited ("the Company" or "EOR") provides the following details of the terms and conditions relating to the issue of Converting Notes.

1. EOR will seek Shareholder approval in a General Meeting of Shareholders, for the conversion of the Notes into Ordinary Shares. If approval is obtained, the Notes will be converted into Ordinary Shares and issued in accordance to (3) below.
2. If the Company is unable to secure approval from Shareholders at a General Meeting, interest on the Notes shall accrue and be paid on the said Face Value of the Notes at the rate of 5% per annum to the date of repayment which will be on or before 31 December 2015, being the expiry date of the Notes.
3. If the conversion of the Notes is approved by the Shareholders, the Notes shall automatically convert into ordinary shares in EOR in the following manner.
   a) The Notes will be converted into fully paid ordinary shares on the basis of one ordinary share for each converting note held,
   b) The Ordinary Shares in the capital of EOR that are issued on the conversion of the Notes shall rank pari passu with all other existing and unquoted Ordinary Shares in the capital of EOR,
   c) The new shares will potentially subject to ASX escrow conditions, and
   d) The Shares remain unquoted until such time the Company satisfies ASX chapters 1 and 2 of the listing rules.
4. The Notes are unsecured and are issued to sophisticated investors.
5. The Notes are to be converted into Ordinary Shares on the basis of one (1) fully paid ordinary share each per converting note. If EOR seeks and obtains the approval of shareholders for a consolidation of its issued capital, the conversion price for the Notes will be varied in accordance with ASX Listing Rules 7.22.1.
6. Interest – No interest will be payable by EOR on the Notes if the conversion of the Notes is approved by shareholders, following which the Notes will be converted immediately. If shareholders do not approve the conversion of the Notes, EOR must pay interest at 5% per annum on the face value of the Notes until the maturity date (31 December 2015).
7. The Notes will not be listed on the ASX.

The funds raised from the issue of the Notes will be used for on-going working capital requirements, including preparation for re-listing the Company compliant to ASX chapters 1 & 2 of the listing rules.

Appendix 3B is attached.

For further information contact:

Siew Hong Koh
Director
Tel: +61 2 9258 9900

Graham Kavanagh
Joint Company Secretary