



## ENEABBA GAS LIMITED

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20 July 2010

Dear Shareholder,

### Non renounceable Entitlement Offer

Eneabba Gas Limited (**Company**) is undertaking a non-renounceable entitlement offer (Entitlement Offer). The Entitlement Offer is for one new Share for every six Shares held at an issue price of \$0.095 together with one free attaching Option for every three new Shares issued.

The Entitlement Offer is not underwritten.

If fully subscribed the Entitlement Offer will result in the issue of approximately 13,053,835 new Shares and 4,351,278 Options in the Company.

The Prospectus relating to the Entitlement Offer has been lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange (**ASX**) and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) or the Company's website at [www.eneabbagas.com.au](http://www.eneabbagas.com.au) for inspection. The timetable and important dates of the Entitlement Offer are set out below:

Lodge Entitlement Prospectus	19 July 2010
Letter to Shareholders and existing Optionholders advising details of Entitlement Offer	20 July 2010
Existing Shares quoted on an "ex" basis	27 July 2010
Record date for determining entitlements	3 August 2010
Prospectus and Entitlement and Acceptance Form despatched to shareholders	5 August 2010
Closing date*	19 August 2010
Shares and Options quoted on a deferred settlement basis	20 August 2010
Anticipated date for allotment and issue of Shares and Options	23 August 2010
Anticipated date for despatch of holding statements	24 August 2010

\* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the Securities.

The purpose of the Entitlement Offer is to raise approximately \$1.24M (before deducting the expenses of the Offer) which will be used to continue assessing the suitability of the Company's Sargon Tenements to conduct UCG operations under the joint venture with Cougar Energy Limited and development of its proposed gas-fired 168MW Centauri 1 Power Station project.

The capital structure of the Company on completion of the Entitlement Offer will be as follows:

	<b>No. of Shares</b>	<b>No. of Listed Options ENBOB</b>	<b>New Options</b>	<b>No. of Unlisted Options</b>
Balance at the date of this Prospectus	78,323,013	16,096,915	-	1,200,000
To be issued under the Entitlement Offer	13,053,835	-	4,351,278	-
<b>Balance after the Entitlement Offer</b>	<b>91,376,848</b>	<b>16,096,915</b>	<b>4,351,278</b>	<b>1,200,000</b>

- (1) The number of Shares to be issued and Options to be granted under the Entitlement Offer assumes that no Options are exercised before the ex entitlement date.

In calculating entitlements under the Entitlement Offer, fractions will be rounded down to the nearest whole number.

Full details of the Entitlement Offer will be contained in the Prospectus that will be mailed to all Shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Prospectus carefully and if in doubt as to the value of the above can Entitlement Offer should contact their financial adviser.

Yours Sincerely



Simon Robertson  
Company Secretary