



ABN 33 087 741 571

**ASX Announcement**

21 March 2016

**PRO-RATA RENOUNCEABLE RIGHTS ISSUE –**

**NOTICE TO SHAREHOLDERS**

The Company is sending letters to its Eligible Shareholders and Excluded Foreign Shareholders today in relation to the announced pro-rata renounceable rights issue. Copies of those letters are attached.

Lisa Jones  
Company Secretary



ABN 33 087 741 571

Dear Shareholder,

## RENOUNCEABLE PRO-RATA RIGHTS ISSUE

Po Valley Energy Limited (ASX Code: PVE) (the **Company**) is undertaking a partially underwritten renounceable pro-rata rights issue (**Rights Issue**) of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 2.5 New Shares for every 1 existing Share held by eligible shareholders on the Record Date at an issue price of \$0.005 per New Share to raise approximately \$1.75 million (**Offer**).

The net funds raised will be used to fund work needed to increase production and revenue from the Company's Sillaro gas field, to progress the Selva gas field to drilling approval, to repay debt and for working capital purposes.

### Information about the Offer

The Company announced the Offer and lodged the Offer Document with ASX on 18 March 2016.

The Offer is being made to eligible shareholders on the basis of the number of fully paid ordinary shares (**Shares**) held in the Company at 5.00pm (Perth time) on 23 March 2016 (**Record Date**). Under the Offer, eligible shareholders with a registered address in Australia and New Zealand will be able to subscribe for 2.5 New Shares for every 1 Share held on the Record Date at an issue price of \$0.005 per New Share. Key dates for the Offer are set out below.

Shareholders of the Company whose address in the Company's register of members is outside Australia or New Zealand are excluded from participating in the Offer.

Approximately 350,392,300 New Shares (subject to rounding) may be issued under the Offer resulting in total shares on issue of approximately 490,549,220. New Shares will rank equally with the Company's existing ordinary shares and the Company will apply to ASX for quotation of the New Shares.

As is further detailed in the Offer Document, the Offer is partially underwritten (up to a total of approximately \$820,000) by entities associated with two of the Company's directors and two of its shareholders. No underwriting fees are payable.

Eligible Shareholders who take up their rights to subscribe for New Shares pursuant to the Offer Document (**Rights**) in full may also apply for additional New Shares under a Top-Up Offer. For the purposes of calculating each eligible shareholder's Rights, fractions of Rights have been rounded up to the nearest whole number of Shares.

### Dealing with your Rights



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The Offer is renounceable which means that shareholders may sell their rights under the Offer. ASX is expected to quote a market for rights trading between 22 March and 6 April 2016. Your options for dealing with your Rights are:

- (a) Sell all of your Rights on ASX in which case you should contact your stockbroker.
- (b) Sell some of your Rights on ASX and take up the balance of your Rights, in which case contact your stockbroker in relation to the sale and follow the instructions in the Offer Document and on the Entitlement and Acceptance Form (which will be mailed to you) to accept the balance of your Rights.
- (c) Transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not an Ineligible Shareholder or would not be an Ineligible Shareholder if the purchaser was the registered holder of the Shares. If you wish to transfer all or part of your Rights to another person other than on ASX then forward a completed standard renunciation form (available from your stockbroker or the Share Registry) together with your Entitlement and Acceptance Form completed by the transferor and transferee to the Share Registry so that it is received no later than 5.00pm (WST) on 6 April 2016 and arrange for payment of the amount of the application monies in accordance with the instructions in the Offer Document.
- (d) You may do nothing with your Rights, in which case you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Rights.

### Key Dates for the Rights Issue

The indicative timetable for the Rights Issue is as follows:

Event	Date
Announcement of Offer to ASX, together with Offer Document and Cleansing Notice and Appendix 3B	18 March 2016
Notice sent to Shareholders	21 March 2016
<b>Ex date</b> (date from which securities commence trading without the entitlement to participate in the Offer) and <b>Rights trading commences</b>	22 March 2016
<b>Record Date</b> (date for determining Entitlements of Eligible Shareholder to participate in the Offer)	23 March 2016
<b>Offer Opening Date</b> –Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	30 March 2016
<b>Rights trading ends</b>	6 April 2016
<b>Closing Date</b> (Offer closes)	13 April 2016
Notification to ASX of results of the Offer and any Shortfall	18 April 2016
Issue date/New Shares entered into Shareholders' holdings	20 April 2016

*Note: These dates are indicative only and may be subject to change.*



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You are not required to do anything in response to this letter, which is provided for your information only and does not constitute an offer of New Shares under the Offer. An Offer Document will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form no later than 30 March 2016.

A copy of the Offer Document can also be viewed on the website of ASX ([www.asx.com.au](http://www.asx.com.au)) or the Company's website ([www.povalley.com](http://www.povalley.com).) or can be requested from the Company. Before deciding to acquire shares, you should read and consider the Offer Document in its entirety and, if in any doubt, consult with your professional advisor.

If you have any questions in relation to any of the above matters, please contact the Company's share registry on 1300 910 051 (within Australia) or +61 1300 910 051 (from outside Australia).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lisa Jones', written in a cursive style.

Lisa Jones  
Company Secretary



ABN 33 087 741 571

Dear Shareholder,

### **RENOUNCEABLE PRO-RATA RIGHTS ISSUE**

On 18 March 2016 Po Valley Energy Limited (ASX Code: PVE) (the **Company**) announced a partially underwritten renounceable pro-rata rights issue (**Rights Issue**) of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 2.5 New Shares for every 1 existing Share held by eligible shareholders on the Record Date at an issue price of \$0.005 per New Share to raise approximately \$1.75 million (**Offer**).

The net funds raised will be used to fund work needed to increase production and revenue from the Company's Sillaro gas field, to progress the Selva gas field to drilling approval, to repay debt and for working capital purposes.

The Offer is partly underwritten up to approximately \$820,000 by entities associated with two of the Company's directors and two of its shareholders.

### **Information about the Offer**

The Offer is being made to eligible shareholders on the basis of the number of fully paid ordinary shares (**Shares**) held in the Company at 5.00pm (Perth time) on 23 March 2016 (**Record Date**). Under the Offer, eligible shareholders with a registered address in Australia and New Zealand will be able to subscribe for 2.5 New Shares for every 1 Share held on the Record Date at an issue price of \$0.005 per New Share. Key dates for the Offer are set out below.

The Offer is renounceable which means that shareholders may sell their right to subscribe for New Shares under the Offer Document (**Rights**). ASX is expected to quote a market for rights trading between 22 March and 6 April 2016.

### **Eligibility to participate in the Offer**

A person is eligible to participate in the Offer if they are a registered holder of Shares on the Record Date and have an address on the Company's share register in Australia or New Zealand.

The Company has decided that it is unreasonable for to make the Offer to shareholders with a registered address outside Australia or New Zealand (**Excluded Overseas Shareholders**) after taking into account the number of overseas shareholders, the number and value of the New Shares that these shareholders would be offered and the cost of complying with legal and regulatory requirements in each relevant jurisdiction.

As your registered address is in a place outside Australia or New Zealand, you are not eligible to participate in the Offer to subscribe for New Shares. You will not be sent the Offer Document relating to the Offer.



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### **Nominee appointed to sell Excluded Overseas Shareholders' Rights**

The Company has appointed Euroz Securities Ltd (**Euroz**) (subject to approval by ASIC), as the Company's foreign holder nominee to sell the rights that would have otherwise been offered to the Excluded Overseas Shareholders. Euroz has agreed to place offers on ASX to sell the rights that would have been offered to you and send you any net proceeds from the sale. Euroz will have absolute and sole discretion to determine the timing and price at which the Rights are sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Rights will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Excluded Overseas Shareholders (if any).

The Company will forward the proceeds of sale of the Rights (if any) as soon as reasonably practicable to the Excluded Overseas Shareholders in proportion to their respective shareholdings, after deducting the brokerage commission and other expenses. If the net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, the proceeds may be retained by the Company.

Despite Euroz being required to sell the Rights, Excluded Overseas Shareholders may nevertheless receive no proceeds if costs of the sale are greater than the sale proceeds.

### **Timetable**

The indicative timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Announcement of Offer to ASX, together with Offer Document and Cleansing Notice and Appendix 3B	18 March 2016
Notice sent to Shareholders	21 March 2016
Ex date (date from which securities commence trading without the entitlement to participate in the Offer) and Rights trading commences	22 March 2016
<b>Record Date</b> (date for determining Entitlements of Eligible Shareholder to participate in the Offer)	23 March 2016
<b>Offer Opening Date</b> –Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	30 March 2016
<b>Rights trading ends</b>	6 April 2016
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Yours faithfully

Lisa Jones

Company Secretary