



7 November 2018

Dear Shareholder,

**NON-RENOUCEABLE ENTITLEMENT OFFER TO RAISE UP TO \$1.4M**

The Board of Kinetiko Energy Limited (**Kinetiko** or **Company**) is pleased invite you to participate in the pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$1.4 million (before costs) (**Entitlement Offer**) as announced on 6 November 2018.

The Entitlement Offer shares will be offered at an issue price of 2.0 cents per share. The maximum number of shares which may be issued under the Entitlement Offer is 71,239,542 fully paid ordinary shares.

The Entitlement Offer will raise approximately \$1,424,791 (before expenses) if all shareholders subscribed for their entire entitlement to shares.

The Company intends to apply the funds raised from the Entitlement Offer primarily towards the ongoing exploration programs at the Company's projects, in particular:

- Continue exploration at Amersfoort beyond the minimum required to maintain good standing; and
- Costs of the offer and working capital.

The Record Date for entitlements under the Entitlement Offer is 9 November 2018 and the final date for receipt of applications for shares pursuant to the Entitlement Offer is 22 November 2018 (subject to variation).

Further details of the terms and conditions of the Entitlement Offer are set out below.



### Key Dates for the Entitlement Offer

Please note that items 1 through 7 the timetable below differ from, and supersede, the dates in the Prospectus. There has been no change to the closing date of the Entitlement Offer.

	Event	Date
1	Prospectus lodged with ASIC	5 November 2018
2	Appendix 3B lodged with ASX and Prospectus lodged with ASX	6 November 2018
3	Notice sent to Shareholders	7 November 2018
4	'Ex' date (i.e. date from which Shares trade without entitlements to participate in the Offer)	8 November 2018
5	Record Date (5.00pm (WST))	9 November 2108
6	Prospectus and Acceptance Form dispatched to Eligible Shareholders and announcement of issue of Prospectus	12 November 2018
7	Opening Date of the Entitlement Offer	13 November 2018
8	Closing Date (5.00pm WST)	22 November 2108
9	Deferred settlement trading commences	23 November 2018
10	ASX notified of under-subscriptions	27 November 2018
11	Issue of New Shares and deferred settlement trading ends	27 November 2018

#### Notes:

- All dates (other than the date of lodgment of the Prospectus with ASX and ASIC) are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

### DETAILS OF THE ENTITLEMENT OFFER

The key information in connection with the Entitlement Offer is set out below for your reference, and as required by the ASX Listing Rules:

- the Entitlement Offer is non-renounceable and is being undertaken on the basis of one (1) new fully paid ordinary shares ("New Shares") for every four (4) ordinary shares held by eligible shareholders;
- the issue price is A\$0.02 cents per New Share;
- the record date to determine entitlements for eligible shareholders is 5.00pm AEST on 9 November 2018 ("Record Date"). Only registered shareholders with a registered address in Australia and New Zealand as at the Record Date are eligible to participate in the Entitlement Offer. The Ex Date for the Entitlement Offer, being 1 business days prior to the Record Date, is 8 November 2018;



- eligible shareholders will be able to apply for additional New Shares in excess of their entitlement at the same issue price of A\$0.02 per New Share. Allocation of additional New Shares applied for will be subject to there being a shortfall in subscriptions under the Rights Issue and will be at the discretion of Kinetiko;
- each New Share will rank equally with and be issued on the same terms as those quoted fully paid ordinary shares already issued by the Company. Application for quotation of the New Shares offered under the Entitlement Offer was made by the Company on 6 November 2018;
- for the purposes of calculating your entitlement, fractional entitlements to New Shares will be rounded down to the nearest whole number of shares;
- the Entitlement Offer is not underwritten. The Directors reserve the right to deal with, at their absolute discretion, the Shortfall Shares which are not taken up by Eligible Shareholders under the Offer within 3 months after the Closing Date. The Company reserves the right to pay a fee of up to 5% of the value of the Shortfall to holders of an AFSL in respect of Shortfall Shares placed to their clients.;
- the Entitlement Offer is being made by way of the Company's prospectus dated 5 November 2018;
- the Entitlement Offer is non-renounceable, accordingly rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their entitlements in full will not receive any value in respect of that part of their entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of entitlements they would have received had they been eligible;
- a maximum of 71,239,542 New Shares (based on the undiluted share capital of the Company as at 5 November 2018) will be issued under the Entitlement Offer. This number is also subject to reconciliation of entitlements and rounding. Based on that number, the maximum number of listed ordinary shares on issue following the Entitlement Offer will be 356,197,710. In addition to the Entitlement Offer, the Company is seeking Shareholder approval at the Company's AGM on 23 November 2018 to issue 50,343,599 Shares to Directors and/or their associates in payment of amounts owing. If approved by Shareholders and following issue, the Company will have 406,541,309 Shares on issue;
- no shareholder approval will be required for the Entitlement Offer;
- Kinetiko does not have a dividend policy and does not intend to declare a dividend in the near future.



- The Company intends to apply the funds raised from the Offer primarily towards the ongoing exploration programs at the Company's projects, in particular:
  - Continue exploration at Amersfoort beyond the minimum required to maintain good standing; and
  - Costs of the offer and working capital.

#### **Actions required of Eligible Shareholders**

Pursuant to the Entitlement Offer there are a number of actions Eligible Shareholders may:

- take up all or some of your entitlements;
- not participate in the Entitlement Offer and if so; you do not need to take any action.

If you are eligible and wish to participate in the Entitlement Offer, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form that will accompany the Offer Document expected to be sent to eligible shareholders on or about 12 November 2018 in accordance with the instructions on that Form. You will need to ensure your application money for the entitlements you wish to take up is received by the Company by no later than 5.00pm (AEST) on 22 November 2018. If you have any queries about the Entitlement Offer, please contact the Company on +61 8 6211 5099. Questions relating to the Entitlement and Acceptance Form can be directed to the Share Registry, Automic, on 1300 288 664.

Stephen Hewitt-Dutton  
Company Secretary