



1 November 2018

Dear Shareholder

BPH ENERGY LIMITED – PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

As announced on 24 October 2018 BPH Energy Limited (ACN 095 912 002) (**BPH**) is undertaking a 1:1 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 1,186,237,417 fully paid ordinary shares (**New Shares**) to raise approximately \$1,186,237. The price of New Shares under the Offer is \$0.001 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 30 October 2018.

The proposed use of funds raised under the Rights Issue (net of expenses) will be used towards the Company's existing investments in its oil and gas projects through Advent Energy Limited (**Advent**) and MEC Resources Limited (**MEC**). Further, the funds shall be used to review possible investments in medical cannabis, and its biotechnology investments through Cortical Dynamics Limited (**Cortical**) as well as the expenses of the Offer and working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm on 5 November 2018, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 1,186,237,417 New Shares resulting in total Shares on issue of approximately 2,372,474,834.

A copy of the Prospectus is available on ASX's and on the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 6 November 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry Ltd (**Share Registry**) by no later than 5.00pm on 21 November 2018.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5.00pm on 21 November 2018, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement

and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form at \$0.001 per New Share.

- You may do nothing. If you choose to do nothing with your Entitlements, while 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 Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX Notification sent to option holders	30 October 2018
Notice of Rights Issue sent to Shareholders	1 November 2018
Existing shares quoted on an 'ex' basis	2 November 2018
Record date	5 November 2018
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	6 November 2018
Offer Period Closes	21 November 2018
Securities quoted on a deferred settlement basis.	22 November 2018
Notification of under-subscriptions to ASX (if any)	23 November 2018
Shares Issued Holding statements despatched	27 November 2018
Quotation of Shares issued under the Offer*	28 November 2018

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or the Company Secretary, on +61 8 9328 8366.

Yours sincerely



David Breeze
CHAIRMAN