



23 November 2015

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 20 November 2015, 88 Energy Limited (ACN 072 964 179) (**88E** or the **Company**) announced that it had successfully completed an institutional placement of up to 300,000,000 fully paid ordinary shares at a price of \$0.01 per share to sophisticated and professional investors, raising up to approximately \$3,000,000 (**Placement**). The Placement was heavily oversubscribed.

In order to provide all eligible shareholders of the Company with the ability to participate in this capital raising, the Company is pleased to provide details of its Share Purchase Plan (**Plan**). Under the Plan, the Company is giving Eligible Shareholders and DI Holders (as defined below) the opportunity to purchase up to \$15,000 (GBP7,050¹) worth of fully paid ordinary shares in the Company (**Shares**), irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

Given the Company also expects the Plan to be well supported Shares, under the Plan will be allocated on a first come first serve basis.

The offer under the Plan (**Offer**) is intended to raise up to \$2,000,000, however the Company reserves the right, subject to the ASX Listing Rules, to raise a maximum of €4,999,999² under both the Offer and the Placement (**Maximum Amount**) on the terms and conditions (**Terms and Conditions**) contained in this announcement and the attached letter. In conjunction with the Placement, the funds raised under the Offer will provide the Company with additional funds of up to the Maximum Amount. Therefore, in accordance with Section 85 and Schedule 11A of the Financial Services and Markets Act 2000 (as amended), this document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority (**FCA**) in the United Kingdom and a copy of it has not been, and will not be, reviewed by the FCA or the UK Listing Authority.

Shareholders Eligible to Participate in the Plan

The right to participate under the Plan is optional and is available exclusively to:

- (a) shareholders who are registered as holders of Shares as at the Record Date set out below and whose registered address is in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**); or
- (b) depository interest holders who are registered as holders of depository interests (**DIs**) maintained on behalf of the Company (**DI Register**) as at the Record Date set out below and whose registered address is in Australia, New Zealand or the United Kingdom as at the relevant Record Date (see Annexure 1) (**DI Holder**),

¹ Based on an exchange rate of AUD1:GBP0.47 as at 20 November 2015.

² Being £3,499,999 based on an exchange rate of €1:£0.70 and subject to the ASX Listing Rules, \$7,428,348 based on an exchange rate of €1:\$1.48567 as at 20 November 2015, the last practical date prior to the date of this document.



unless the Shares are held on behalf of a person who resides outside Australia, New Zealand or the United Kingdom (in which case you will not be eligible to participate in respect of the shares of that person). Further, a "U.S. person" (as defined in Regulation S under the US Securities Act of 1933, as amended) (US Person) is not eligible to participate nor are people acting for the account or benefit of a US Person.

Share Purchase Plan

The Plan entitles Eligible Shareholders or DI Holders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares priced at \$0.01 per Share, subject to obtaining an ASX waiver (**Waiver**), or \$0.011 per Share if the Waiver is not granted. The Company hopes to receive a decision on the Waiver within 10 days and will announce the Waiver decision as soon as possible. An issue price of \$0.01 represents a discount of 22% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced on the ASX (**Price**). This proposed Price of \$0.01 per Share is the same price as Shares were offered to sophisticated and professional investors under the Placement.

The 80% VWAP of Shares traded on the ASX during the 5 trading days immediately prior to this announcement was \$0.011 (5 trading day WAP was \$0.013).

Whilst the Company intends to raise up to \$2,000,000 via the Offer, it may accept additional applications to raise up to the Maximum Amount in conjunction with the Placement.

Application will be made for the Shares in the Company to be quoted on the Australian Securities Exchange (**ASX**) and to be admitted for trading on the AIM market of the London Stock Exchange plc (**AIM**).

The Company will, in its absolute discretion, undertake a scaleback so that not more than the Maximum Amount is raised. Scaleback decisions are made by the Board, in its absolute discretion, and are final.

An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply paid envelope are included in this package.

Waiver

ASX Listing Rule 7.2 (Exception 15) states that the issue price of shares offered under a share purchase plan must be at least 80% of the VWAP for shares in that class, calculated over the last 5 trading days on which sales were recorded, either before the day on which the issue was announced or before the day on which the issue was made. The Company's intended Plan issue price of \$0.01 equates to 78% of the 5 day VWAP of the Company's Shares.

The Company is seeking the Waiver to allow the Plan issue price to be \$0.01, being the same as Shares issued under the Placement. The Waiver is being sought by the Company in order to encourage participation in the Plan by the Company's existing shareholders and to ensure that they are treated on the same basis as the persons who participated in the Placement. The Company hopes to receive a decision on the Waiver within 10 days and will announce the Waiver decision as soon as possible.



As mentioned above, if the Waiver is not granted the issue price for Shares under the Plan will be \$0.011.

Key Dates

Eligible Shareholders

Record Date:	5:00pm (Perth time) on 19 November 2015
Announcement Date:	20 November 2015
Offer Date:	23 November 2015
Closing Date:	5:00pm (Perth time) on 11 December 2015
Issue of new shares:	18 December 2015
Quotation of new Shares on ASX:	22 December 2015

DI Holders

Record Date:	9:00am (London time) on 19 November 2015
Announcement Date:	20 November 2015
Offer Date:	23 November 2015
Closing Date:	9:00am (London time) on 11 December 2015
Issue of new shares:	18 December 2015
AIM admission date:	22 December 2015

These dates are indicative only. The Company may vary the dates and times of the Offer at its discretion, including the Closing Date of the Offer, even if the Offer has opened or applications have been received. Accordingly, Shareholders are encouraged to submit their Application Form as early as possible.

Current Activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at <http://www.88energy.com>.

As announced on 19 November 2015, the Company (in conjunction with its joint venture partner, Burgundy Xploration LLC) has acquired an additional 174,240 gross acres at the North Slope Areawide Bid Sale in Alaska (**Additional Acreage**).

The funds raised under the Plan (and the Placement) will be applied to a deposit for the Additional Acreage on the North Slope, Alaska (see ASX announcement 19 November 2015), for potential payments in respect of Icewine Project seismic acquisition, for ongoing exploration of Project Icewine and for working capital purposes.



How much can you invest?

Eligible Shareholders or DI Holders may each apply for a maximum of \$15,000 (GBP 7,050³) worth of Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

Eligible Shareholders

- complete the enclosed Application Form and send it together with your payment by cheque made payable to **"88 Energy Limited"** and drawn in Australian currency for the correct amount, to the Company's share registry:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

to be received by the share registry no later than the **Closing Date**; or

- make a BPAY^{®4} payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY[®] you do not need to return your Application Form.** New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after the Closing Date will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

³ Based on an exchange rate of AUD1:GBP0.47 as at 20 November 2015.

⁴ [®] Registered to BPAY Pty Ltd, ABN 69 079 137 518

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DI Holders

- If you are a DI Holder and you wish to apply for new Shares under this Plan:
 - you must complete the enclosed Application Form and forward it with a cheque, bank draft or money order drawn on a United Kingdom bank and in British Pounds for the correct amount in accordance with the instructions on the Application Form so that it is received prior to the close of the Offer on the Closing Date (as applicable to a DI Holder) to the following address:

Computershare Investor Services PLC
Corporate Actions Projects
Bristol
BS99 6AH

- If you wish to settle in CREST, you must provide your participant ID and member account ID. For more information regarding the CREST system, please refer to Annexure 1.
- No late applications will be accepted

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders or DI Holders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable ⁵	Number of Shares to subscribe for at an issue price of \$0.01 (if Waiver is granted)	Number of Shares to subscribe for at an issue price of \$0.011 (if Waiver is NOT granted)
Offer A	\$15,000 (GBP7,050)	1,500,000	1,363,636
Offer B	\$10,000 (GBP4,700)	1,000,000	909,091
Offer C	\$5,000 (GBP2,350)	500,000	454,545
Offer D	\$2,000 (GBP940)	200,000	181,818

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date** (subject to the Terms and Conditions of the Plan). If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not allot any Shares to you; or
- (b) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

⁵ Based on an exchange rate of AUD1:GBP0.47 as at 20 November 2015.

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The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders or DI Holders who hold Shares as Custodian, depository, trustee or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of \$15,000 (GBP7,050) worth of Shares in respect of each Beneficiary who is resident in Australia, New Zealand or the United Kingdom, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

To the extent that a Custodian holds 88E shares or DIs on behalf of a beneficiary resident outside Australia, New Zealand and the United Kingdom, it is the responsibility of the Custodian to ensure that any acceptance complies with all applicable foreign laws.

Joint holders/joint beneficiaries

If two or more persons are registered on the Australian Register or the DI Register as jointly holding 88E shares or DIs, they are taken to be a single registered holder of 88E shares or DIs and a certification given by any of them is taken to be a certification given by all of them.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.012. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder or DI Holder will be acknowledging that although the purchase price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

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The Offer described in this document is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on a first come first serve basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$2,000,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules, however the final amount raised under the Offer and the Placement will not exceed the Maximum Amount.

In the event of oversubscription by the Closing Date the Directors will, in their absolute discretion, scale-back applications on a first come first serve basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions however in no circumstances will the amount raised under the Offer and the Placement exceed the Maximum Amount.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia, New Zealand and the United Kingdom. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.



UK Shareholders and DI Holders

The Offer is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The maximum aggregate consideration for the Offer and the Placement is €4,999,999⁶. Therefore, in accordance with Section 85 and Schedule 11A of the Financial Services and Markets Act 2000 (UK), as amended (FSMA), this document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority (FCA) in the United Kingdom and a copy of it has not been, and will not be, reviewed by the FSA or the UK Listing Authority.

No offer in the United States

If you apply to participate in the Plan, you acknowledge and agree that:

- The Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or any other jurisdictions in the United States, or in any other jurisdiction outside Australia, the United Kingdom and New Zealand;
- The Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- You must not send copies of these Terms and Conditions or any other material relating to the Plan to any person in the United States or any person who is, or is acting for the account or benefit of, a US Person;
- You must not submit an Application Form or make payment by BPAY for any person resident in the United States or elsewhere outside Australia, the United Kingdom and New Zealand or who, or is acting for the benefit of, a US Person; and
- If you do not comply with these restrictions, it may result in violations of applicable securities laws.

Shortfall Placement

In the event that less than the Maximum Amount is applied for, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements.

⁶ Being £3,499,999 based on an exchange rate of €1:£0.70 and subject to the ASX Listing Rules, \$7,428,348 based on an exchange rate of €1:\$1.48567 as at 20 November 2015, the last practical date prior to the date of this document.

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Indicative Timetable

Record Date for Share Purchase Plan	5.00pm (Perth time) on 19 November 2015 9.00am (London time) on 19 November 2015
Announce Share Purchase Plan	20 November 2015
Release Offer Letter on the ASX	23 November 2015
Share Purchase Plan Opens	23 November 2015
Closing Date for Share Purchase Plan	5.00pm (Perth time) 11 December 2015 9.00am (London time) on 11 December 2015
Lodge Appendix 3B, Issue of new shares under the Share Purchase Plan	18 December 2015
Quotation on ASX of new shares under the Share Purchase Plan	22 December 2015
AIM Admission Date	22 December 2015

These dates are indicative only. The Company may vary the dates and times of the Offer at its discretion, including the Closing Date of the Offer, even if the Offer has opened or applications have been received. Accordingly, shareholders are encouraged to submit their Application Form as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Ms Sarah Smith, Joint Company Secretary, on +61 8 9485 0990.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'David Wall', with a horizontal line extending to the right.

Mr David Wall
Managing Director
88 Energy Limited

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88 ENERGY LIMITED (ACN 072 964 179)

Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**), which will be conducted in conjunction with the recently completed placement (**Placement**), is to offer shareholders of 88 Energy Limited (ACN 072 964 179) (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan (**ASX Limit**)). The issue price under the Plan will be \$0.01 per Share (subject to obtaining a waiver from ASX Listing Rule 7.2 (Exception 15)) (**Waiver**), or \$0.011 per Share if the Waiver is not granted. An issue price of \$0.01 per Share would represent a discount of 22% to the average market price for Shares over the last 5 days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a Prospectus. The Plan is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit.

Subject to the ASX Listing Rules the maximum aggregate consideration for the Offer and the Placement is €4,999,999⁷ (**Maximum Amount**). Therefore, in accordance with Section 85 and Schedule 11A of the Financial Services and Markets Act 2000 (as amended), this document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority (**FCA**) in the United Kingdom and a copy of it has not been, and will not be, reviewed by the FCA or the UK Listing Authority.

Please note that this Maximum Amount includes the Offer to the DI Holders (with a registered address in the United Kingdom) or Eligible Shareholders.

All references to "\$" or "dollars" in these Terms and Conditions are to Australian dollars.

Waiver

ASX Listing Rule 7.2 (Exception 15) states that the issue price of shares offered under a share purchase plan must be at least 80% of the volume weighted average market price (**VWAP**) for shares in that class, calculated over the last 5 trading days on which sales were recorded, either before the day on which the issue was announced or before the day on which the issue was made. The Company's intended issue price of \$0.01 equates to 78% of the 5 day VWAP of the Company's Shares.

The Company is seeking the Waiver to allow the Plan issue price to be \$0.01, being the same as Shares issued under the Placement. The Waiver is being sought by the Company in order to encourage participation in the Plan by the Company's existing shareholders and to ensure that they are treated on the same basis as the persons who participated in the Placement. The Company hopes to receive a decision on the Waiver within 10 days and will announce the Waiver decision as soon as possible.

⁷ Being £3,499,999 based on an exchange rate of €1: £0.70 and subject to the ASX Listing Rules, \$7,428,348 based on an exchange rate of €1:\$1.48567 as at 20 November 2015, the last practical date prior to the date of this document.



Shareholders Eligible to Participate

Holders of the Company's Shares that are registered with an Australian, New Zealand or United Kingdom address at the Record Date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia, New Zealand or the United Kingdom.

DI holders of the Company's Shares, being holders of depositary interests in the Company at the Record Date, and whose registered address, as recorded in the register of holders of depositary interests (**DIs**) maintained on behalf of the Company (**DI Register**) is in Australia, New Zealand or the United Kingdom as at the Record Date (see Annexure 1) (**DI Holder**) may participate in the Plan.

Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders or DI Holders may not transfer their rights to any Shares offered under the Plan). Eligible Shareholders or DI Holders who wish to take up Shares issued under the Plan agree to be bound by the Company's constitution in respect of Shares issued under the Plan.

An offer may, at the discretion of the directors of the Company (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000 (GBP7,050⁸). The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders or DI Holders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order CO 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annex to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia, New Zealand or the United Kingdom (each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;

⁸ Based on an exchange rate of AUD1:GBP 0.47 as at 20 November 2015.

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- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order CO 03/184 or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee, depositary or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate, and if you would like further information on how to apply, you should contact Computershare Investor Services Pty Limited at any time from 8.30am to 5.00pm (Perth time) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The issue of the Shares will be as follows:

- (a) For the purposes of Eligible Shareholders, the issue price is \$0.01 per Share pursuant to the Plan (subject to the ASX waiver) (**Waiver**), or \$0.011 per Share if the Waiver is not granted.

An issue price of \$0.01 per Share represents a discount of 22% of the VWAP for the Shares over the last 5 days on which sales in the Shares were recorded before the day on which the issue was announced on the ASX (**Price**).



- (b) For the purposes of the DI Holders, the British Pound equivalent of the issue price as calculated in sub-paragraph (a) above, based on an A\$:GBP exchange rate of \$1:£0.47, being the prevailing rate as at 20 November 2015, the last practical date prior to the date of this document.

This Price is the same price as the Shares were offered to sophisticated and professional investors under the Placement

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders or DI Holders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the Closing Date of the offer. Oversubscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date specified by the Directors of the Company in the relevant offer.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Eligible Shareholders

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

DI Holders

CREST is a computerised paperless share transfer and settlement system, which allows shares and other securities including DIs to be held in electronic rather than paper form. If you elect to settle through CREST, you will not receive a certificate but you will receive a credit to your stock account in CREST for any new DIs issued relating to Shares (subject to compliance with these Terms and Conditions). Further information and the terms and conditions applicable to holders of DIs is set out in Annex 1.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.



Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act, the ASX Listing Rules, the AIM rules for companies or FSMA), or the requirements of any regulatory or governmental body, or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction.

Raising Amount and Scale back

Whilst the Company intends to raise up to \$2,000,000 via the Offer, it may accept additional applications to raise up to the Maximum Amount in conjunction with the Placement.

The Company will, in its absolute discretion, undertake a scaleback so that not more than the Maximum Amount is raised. Scaleback decisions are made by the Board, in its absolute discretion, and are final.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a first come first serve basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies (as the balance of such application monies), without interest. The Directors reserve the right (in their absolute discretion) to refuse an application (in whole or in part) (and if an application is refused in whole or in part, the application monies will be returned to the applicant in full without interest and at the applicant's sole risk) if they consider that:

- it is reasonable and prudent to do so;
- the applicant is not an Eligible Shareholder or DI Holder;
- the issue of those Shares may contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act, the ASX Listing Rules, the AIM rules for companies or the FSMA) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction; or
- the applicant has not otherwise complied with these Terms and Conditions.

Acknowledgements

If you apply to participate in the Plan:

- You agree that once you have sent in your Application Form or made your BPAY payment, you cannot withdraw or cancel your application and your application is unconditional;
- You confirm that you are an Eligible Shareholder or DI Holder (as applicable) and that you are lawfully permitted to accept the Offer under the Plan and participate in the Plan in accordance with these Terms and Conditions and any applicable laws and specifically that you are not a US Person or acting for the account or benefit of a US Person;

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- You certify that, even if you have received more than one Offer under the Plan or received offers in more than one capacity, the aggregate application money paid by you in any capacity (except as a Custodian) for:
 - the Shares the subject of the Application Form or the BPAY payment; and
 - any other shares issued to you, or to a Custodian on your behalf and at your instruction, under the Plan or any similar arrangement operated by the Company in the 12 months before the date we received your application,

is not more than the ASX Limit.

- If you are a Custodian holding DIs on behalf of DI Holders and applying for Shares with a total application price exceeding the ASX Limit you agree to certify to us in writing the matters required by ASIC Class Order 09/425 condition 9, in accordance with the Custodian certificate, a copy of which can be obtained from the Share Registry;
- You agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the Plan;
- You agree to be bound by the constitution of the Company;
- You authorise the Company (and its offers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if we elect to do so;
- You agree that the Company may determine that your Application Form is valid in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- You agree that your Application Form is only effective when received by us and not when posted;
- You accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's Share register or DI Register;
- You are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;
- You agree that if there is a rounding down of the number of Shares and no scale back, any remaining balance of your payment after your allotment will form part of the assets of the Company and will not be refunded;
- You acknowledge that no interest will be paid on any application money held pending the allotment of Shares or subsequently refunded to you for any reason;
- You agree that if you have previously provided the Company or the share registry with bank account details for the purposes of direct credit of dividends, any refund to be paid to you under these Terms and Conditions may be directed to that nominated account;

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- You agree that the Company and the share registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy Shares; and
- You agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Each applicant for the Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

Governing law

These Terms and Conditions are governed by the laws in force in Western Australia.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Ms Sarah Smith, Joint Company Secretary, on +61 8 9485 0990.

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ANNEXURE 1

DI HOLDERS

Words and expressions used in this Annexure 1 shall, unless defined herein, be as defined in the Terms and Conditions to which this annexure is attached.

1. UK Depositary Interest Holders

(a) General

Depositary Interests or DIs are interests in the underlying Shares that can be settled electronically through CREST. The legal title to the Shares is held by a nominee of Computershare Investor Services PLC (the **Computershare Nominee**).

Whilst the Computershare Nominee is registered as the owner of Shares in the Company (pursuant to a depositary interest deed poll in respect of the Company, the Depositary Interest Deed), it holds Shares on behalf of, and for the benefit of, the holders of DIs (**DI Holders**). To the extent the Offer is being made to the Computershare Nominee, it is being made for the benefit of DI Holders on the Record Date and the Computershare Nominee will not be entitled to participate in the Offer in its own right.

If, on the Record Date, a DI Holder is a trustee or nominee (a Nominee) holding DIs on behalf of one or more other persons (each such person, a Beneficiary):

- a. the Nominee shall be entitled to submit an application for Shares (on and subject to the Terms and Conditions) on behalf of each such Beneficiary (provided the Nominee provides to the Company satisfactory evidence of each such Beneficiary's status as a Beneficiary); and
- b. the Nominee shall not be entitled to submit an application for Shares on its own behalf unless it is a beneficiary in its own right.

Each Beneficiary may only participate once in the Offer. If the Company does not receive satisfactory evidence of a Beneficiary's status in accordance with this paragraph, an application for Shares submitted by a Nominee on behalf such Beneficiary may not be accepted by the Company.

(b) Application

A DI Holder shall receive, in respect of any valid application which it may make under the Plan, and subject to the Terms and Conditions of the Plan, a credit to its stock account in CREST of such number of new DIs (**New Depositary Interests**) as is equal to the number of Shares for which an application is made.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the DIs held on the Record Date by the DI Holder in respect of which the New Depositary Interests have been allocated.

DI Holders who wish to apply for some or all of their entitlements to New Depositary Interests should refer to the instructions set out in this document and the Application Form. Should you need advice with regard to these procedures, please contact Computershare Investor Services PLC on +44(0) 0370 702 0000. If you are a CREST

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Sponsored Member you should consult your CREST Sponsor if you wish to apply for New Depositary Interests as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

(c) Effect of Valid Application

A DI Holder who makes a valid application for New Depositary Interests will, in making an application:

- a. pay the amount payable on application in accordance with the procedures set out in the Terms and Conditions;
- b. request that the New Depositary Interests to which it is entitled be issued to it on the Terms and Conditions and subject to the constitution of the Company, the Depositary Interest Deed and the services agreement relating to DIs between the Company and the Computershare Nominee; and
- c. agree that all applications and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England.

(d) Company's discretion as to Rejection and Validity of Applications

The Company may in its sole discretion treat as valid and binding an application which does not comply in all respects with the requirements as to validity set out or referred to in this document.

2. Market Claims

Applications for New Depositary Interests may only be made by a person who is a DI Holder on the Record Date (in accordance with paragraph 1 above).

Applications may only be made on the Application Form and may only be made by the DI Holder named in it or by a person entitled by virtue of a bona fide market claim in relation to the purchase of depositary interests through the market prior to the Record Date. The Application Form is not a negotiable document and cannot be separately traded. A DI Holder who has sold or transferred all or part of his existing depositary interest holding prior to the Record Date, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire the New Depositary Interests under the Offer may be a benefit which may be claimed by the transferee from his counterparty. DI Holders who have sold all or part of their existing depositary interest should contact Computershare Investor Services PLC.

3. Definitions

CREST means the computerised settlement system (as defined in the Regulations) in the UK operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;

CREST Sponsored Member means a CREST Member admitted to CREST as a sponsored member;

CREST Member means a person who has been admitted by Euroclear UK & Ireland Limited as a system-member (as defined in the Regulations); and

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Regulations mean the Uncertificated Securities Regulations 2001, as amended from time to time.

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