



Indago Energy Limited

Entitlement Offer Booklet

1 for 5 non-renounceable pro rata entitlement offer of New Shares at an issue price of 7.4 cents per New Share

The Entitlement Offer closes at 5.00 pm (Melbourne time) on Wednesday, 1 August 2018

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS OFFER BOOKLET IN ITS ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR NEW SHARES. IF YOU DO NOT UNDERSTAND ANY PART OF THIS OFFER BOOKLET, OR ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT OR YOUR ENTITLEMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN THE UNITED STATES

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Important Information

About this document

This Offer Booklet contains information relating to a proposed entitlement offer to be undertaken by Indago Energy Limited (ABN 75 117 387 354) (**Indago**).

This Offer Booklet is important and requires your immediate attention. You should read this Offer Booklet carefully and in its entirety, with emphasis on the risk factors detailed in Section 3, have regard to your own investment parameters, and if required, obtain independent professional investment advice, before deciding to invest in Indago.

The Entitlement Offer is being made in accordance with Section 708AA of the Corporations Act (as modified by ASIC Legislative Instrument 2016/84). Accordingly, this document is not a prospectus (and has not been, and will not be, lodged with ASIC) and does not contain all information which an investor may require to make an informed investment decision.

Forward-looking statements

This document contains forward looking statements with respect to the financial condition, results of operations, projects and business of Indago and certain plans and objectives of the management of Indago. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may" "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Entitlement Offer, projections, guidance on future revenues, earnings, dividends and estimates. The forward looking statements contained in this document are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent known and unknown risks and uncertainties and other factors which are beyond the control of Indago. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Such risks and uncertainties include factors and risks specific to the operations of Indago, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, forward looking statements are provided as a general guide only and actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Offer Booklet speak only at the date of this Offer Booklet. Subject to any continuing obligations under applicable law or the ASX Listing Rules, Indago does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

Neither Indago, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statement will actually occur.

Information about Indago

Indago's releases periodic and continuous disclosure announcements, including Indago's annual report lodged with ASX on 26 April 2018, which are available on the ASX at www.asx.com.au and Indago's website at www.indagoenergy.com

Past performance

Investors should note that Indago's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Indago's future performance including Indago's future financial position or share price performance.

Foreign jurisdictions

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution by you of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. You should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities law. See section 4.4, "Foreign Shareholders", of this Offer Booklet for more information.

In particular, the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

Nominees

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia and New Zealand except, with the consent of Indago, to beneficial shareholders resident in certain other countries where Indago may determine it is lawful and practical to make the Entitlement Offer.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not contained in this Offer Booklet may not be relied on as having been authorised by Indago in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Indago, or any other person, warrants or guarantees the future performance of Indago or any return on any investment made pursuant to the Entitlement Offer.

No financial product advice

This Offer Booklet is not financial product advice, does not purport to contain all the information that you may require to make an investment decision, and has been prepared without taking into account your personal investment objectives, financial situation or needs.

Before deciding whether to apply for New Shares under the Entitlement Offer, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If after reading this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your financial or other professional adviser.

Definitions and references to time

Capitalised words and expressions in this Offer Booklet have the meanings given in Section 5. A reference to time in this Offer Booklet is to Melbourne time, unless otherwise stated.

All financial amounts in this Offer Booklet are references to Australian currency, unless otherwise stated.

Date of this document

This Offer Booklet is dated 17 July 2018.

For any enquiries please call Automic as Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (within and outside Australia), or contact your stockbroker, accountant or other professional adviser.

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Indago Energy Limited

Chairman's Letter

17 July 2018

Dear fellow shareholder

On behalf of the Board of Indago Energy Limited (**Indago**), it is my pleasure to invite you to participate in a pro rata, non-renounceable entitlement offer of 1 new fully paid ordinary share in Indago (**New Shares**) for every 5 Shares held by you on the Record Date (7.00pm (Melbourne time) on 18 July 2018 at an issue price of 7.4 cents per New Share (**Entitlement Offer**) to raise up to approximately \$2.6 million, if fully subscribed.

Funds raised from the Equity Raising (after costs) will be used to support:

- The growth of the Hydrocarbon Dynamics (HCD) business;
- Development of the Company's own upstream oil projects;
- General working capital requirements.

Overview of Entitlement Offer

The Entitlement Offer is being made to all eligible shareholders (**Eligible Shareholders**) who are registered as a holder of Indago Shares as at 7.00 pm (Melbourne time) on 18 July 2018 (**Record Date**).

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 5 Shares of which they are the registered holder at 7.00 pm (Melbourne time) on the Record Date at an issue price of 7.4 cents per New Share (**Issue Price**). The Entitlement Offer is non-renounceable. Eligible Shareholders are also invited to apply for additional New Shares in excess of their entitlement under the Top-Up Facility if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer.

The Entitlement Offer is not underwritten.

Action you should take

The Entitlement Offer is scheduled to close at **5.00 pm (Melbourne time) on Wednesday, 1 August 2018**. If you wish to subscribe for New Shares, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 2.2.

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This Offer Booklet contains important information regarding the Entitlement Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

For any enquiries please call Automic as Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (within and outside Australia), or contact your stockbroker, accountant or other professional adviser.



Stephen Mitchell
Executive Chairman
Indago Energy Limited

Key Dates

Event	Date
Announcement of the Entitlement Offer	Thursday, 12 July 2018
Shares traded on an “ex” entitlement basis	Tuesday, 17 July 2018
Record Date for eligibility to participate in the Entitlement Offer	Wednesday, 18 July 2018
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Thursday, 19 July 2018
Entitlement Offer opens	Thursday, 19 July 2018
Entitlement Offer closes	Wednesday, 1 August 2018
Securities quoted on a deferred settlement basis	Thursday, 2 August 2018
Shortfall (if any) announced to ASX	Friday, 3 August 2018
Settlement of New Shares under the Entitlement Offer	Tuesday, 7 August 2018
Issue of New Shares under Entitlement Offer	Wednesday, 8 August 2018
Despatch of Holding Statements	Thursday, 9 August 2018
New Shares commence trading on a normal settlement basis	Thursday, 9 August 2018

Dates and times in this Offer Booklet are indicative only and subject to change. Any material changes will be notified to ASX. All dates and times are references to Melbourne time.

Indago, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, Indago reserves the right to extend the Closing Date and/or accept late Applications under the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens.

1. Overview of the Entitlement Offer

1.1 Summary

The Entitlement Offer is a pro rata offer of up to approximately 35 million New Shares at 7.4 cents per New Share (**Issue Price**) to raise up to approximately \$2.6 million before costs and expenses if fully subscribed. The Entitlement Offer is not underwritten.

Eligible Shareholders are entitled to subscribe for 1 New Share for every 5 Shares held by them at 7.00 pm (Melbourne time) on the Record Date.

The Entitlement Offer is non-renounceable, which means that to the extent that any entitlement under the Entitlement Offer is not taken up by any Eligible Shareholder prior to the Closing Date, the entitlement will lapse.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 2.

The Entitlement Offer is currently scheduled to close at 5.00 pm (Melbourne time) on 1 August 2018.

1.2 Eligible Shareholders

Unless the Company otherwise determines, the Entitlement Offer is being made to those Shareholders who:

- (a) are registered as a holder of Indago's Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of any person in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Indago is of the view that it is unreasonable to make an offer under the Entitlement Offer to shareholders outside of Australia, New Zealand having regard to:

- (a) the number of Shareholders outside of those jurisdictions as a proportion of total Shareholders in Indago;
- (b) the number and value of the New Shares that would have been offered to those Shareholders outside of those jurisdictions; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Indago is not required to make offers under the Entitlement Offer to Shareholders outside of Australia and New Zealand (although Indago may, at its absolute discretion, make offers under the Entitlement Offer to investors in certain other jurisdictions to whom it is lawful to make such an offer, such as Hong Kong and Singapore, subject to the provisions of Section 4.4).

1.3 What is the entitlement of an Eligible Shareholder?

The number of New Shares to which you are entitled under the Entitlement Offer is shown in the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. In calculating each Eligible Shareholder's entitlement, fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. Eligible Shareholders can subscribe for all, or part, of

their pro rata entitlement under the Entitlement Offer. Detailed instructions on how to accept all, or part of, your pro rata entitlement are set out in Section 2.

Please note that if you choose not to take up your pro rata entitlement, your percentage shareholding in Indago will be diluted to the extent that the Entitlement Offer is taken up by other persons.

1.4 Top-Up Facility

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**Top-Up Facility**). Additional Shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer (**Shortfall**). Additional Shares will be issued at the Issue Price.

Indago proposes to adopt the below allocation policy for allocating Shortfall.

- (a) If there is a Shortfall, each Eligible Shareholder who has applied for Additional Shares through the Top-Up Facility will be entitled to be allocated their pro-rata share of the Shortfall having regard to their holdings at the Record Date (if an Eligible Shareholder has made an application for Additional Shares for an amount less than the amount of Additional Shares that the Eligible Shareholder would otherwise be allocated under this process, the Eligible Shareholder will be allocated the amount applied for).
- (b) The allocation process described above will be repeated in relation to any remaining Shortfall and any subsequent Shortfall, until either all New Shares proposed to be issued have been allocated or all Shortfall applications have been satisfied in full.
- (c) Directors of Indago will not be eligible to participate in the Top-Up Facility and apply for Additional Shares.
- (d) If, following the above allocation, there remains a Shortfall, it will then be at the discretion of the Directors of Indago to place the shortfall with Peloton Capital as Indago's corporate advisor.
- (e) The Directors reserve the right to place any unissued Shares within 3 months after the close of the Entitlement Offer. The Directors are not obliged to place any such Shares and will only do so in their discretion.

For avoidance of doubt, the Corporations Act 20% relevant interest level applies to limit the acquisition of Additional Shares through the Top-Up Facility.

Accordingly, Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for in which case excess Application Money will be refunded without interest. If you wish to subscribe for Additional Shares in addition to your Entitlement then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make corresponding payment for your full Entitlement plus the Additional Shares.

1.5 No trading of entitlements

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of that part of the entitlement that they do not take up.

1.6 Issue of New Shares

Indago currently expects that New Shares will be issued on 8 August 2018. The issue of New Shares will only be made after permission for their quotation on ASX has been obtained. The fact that New Shares have been admitted to quotation on ASX is not to be taken in any way as an indication of the merits of Indago or the New Shares.

1.7 Ranking of New Shares

When issued, the New Shares will be fully paid and will rank equally with existing Shares.

1.8 Withdrawal of the Entitlement Offer

Indago reserves the right to withdraw all or part of the Entitlement Offer, and this Offer Booklet, at any time, subject to applicable laws. In that case, Indago will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Indago will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Indago.

1.9 Speculative nature of Entitlement Offer and projects and relevant risk factors

In deciding whether to take up some or all of your entitlements under the Entitlement Offer, you should:

- (a) have regard to the risks discussed in Section 3 of this Offer Booklet and
- (b) read this Offer Booklet carefully and in its entirety and have regard to your own investment parameters, and if required, obtain independent professional investment advice, before deciding to invest in Indago.

1.10 Purpose and use of funds

Indago Energy plans to use the funds raised from the Rights Issue to allow the Company to accelerate its sales and marketing efforts for its key product, HCD MultiFlow, to support its upstream activities including the appraisal of its oil and gas projects in Kentucky and Utah as well as general working capital purposes.

In Kentucky where Indago recently announced a successful core hole and maiden oil resources, Indago expects to undertake several experimental production tests using MultiFlow with different delivery mechanisms to assess if the substantial oil resources can be commercially exploited.

In Utah, the Company would like to expand its interests in the oil rich sand of Asphalt Ridge and to conduct preliminary tests on sand samples from nearby deposits to understand MultiFlow's ability to extract oil from these sands.

For its sales and marketing efforts, Indago plans to expand its team in the north America and to aggressively pursue the numerous sales initiatives currently underway and to conduct numerous field and laboratory tests to support these opportunities (see Market Update released 12 July 2018 to the ASX).

1.11 Financial Impact

The proceeds from the Equity Raising, before allowing for costs and expenses, will amount up to approximately \$2.6 million if fully subscribed.

1.12 Effect on Capital Structure

The principal effect of the Equity Raising on Indago's issued share capital will be to increase the total number of issued Shares. The following table sets out the number of issued Shares on the Announcement Date and, subject to the rounding of fractional entitlements under the Entitlement Offer, the total number of issued Shares at the completion of the Entitlement Offer if fully subscribed:

Shares	Number
Shares on issue at the Announcement Date	174,317,619
Shares offered under the Entitlement Offer	34,863,524*
Maximum Shares on issue on completion of the Entitlement Offer	209,181,143*

* The number of New Shares to be issued under the Entitlement Offer is subject to the rounding of fractional entitlements to New Shares.

Indago has 40,700,000 options on issue with various expiry dates with exercise prices ranging from 10 cents to 25 cents.

1.13 Effect of the Entitlement Offer on the Control of Indago

The potential effect the Entitlement Offer will have on the control of Indago is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of Indago;
- (b) if some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted;
- (c) the proportional interests of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer,

having regard to:

- (d) the composition of Indago's share register; and
- (e) the terms of the Entitlement Offer.

Indago does not believe that any person will increase their voting power in Indago pursuant to the Entitlement Offer in a way that will have any material impact on the control of Indago. In particular, no person presently has a relevant interest in more than 20% of Shares, and no person is expected to have a more than 20% relevant interest in Shares following the Entitlement Offer.

2. Choices available to Eligible Shareholders

2.1 Your choices

Before taking any action, you should read this Offer Booklet in its entirety and, if you have any questions, consult your financial or other professional adviser. If you are an Eligible Shareholder, the following choices are available to you:

Option	See Section
Take up all or part of your entitlement under the Entitlement Offer	2.2(a)
Take up all of your entitlement under the Entitlement Offer and apply for Additional Shares under the Top-Up Facility	2.2(b)
Take no action	2.6

2.2 How to participate in the Entitlement Offer

(a) Taking up all or part of your entitlement

To subscribe for New Shares offered to you under your pro rata allocation, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your pro rata entitlement you wish to subscribe for.

(b) Applying for Additional Shares under the Top-Up Facility

If you wish to apply for Additional Shares in excess of your entitlement, please complete your personalised Entitlement and Acceptance Form accordingly and follow the instructions set out on the form or below.

Your application for additional New Shares may not be successful (wholly or partially). The decision in relation to the number of additional New Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any Application Monies received and returned.

(c) Payment

The Application Monies are payable in full on application.

Payments must be received by 5.00 pm (Melbourne time) on the Closing Date and must be in Australian currency and made by:

- (i) cheque drawn on and payable at any Australian bank;
- (ii) bank draft or money order drawn on and payable at any Australian bank; or
- (iii) BPAY®.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00 pm (Melbourne time) on the Closing Date.

Indago will treat you as applying for as many New Shares as your payment will pay for in full.

Cheques, bank drafts and money orders must be made payable to "Indago Energy Limited" and crossed 'Not Negotiable'. Cash payments will not be accepted. Receipts for payment will not be provided.

Indago will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment.

Application monies will be held in trust in a subscription account until New Shares are issued. Any interest earned on Application Monies will be for the benefit of Indago and will be retained by Indago irrespective of whether any issue of New Shares takes place.

(d) Return completed Entitlement and Acceptance Form and payment

Unless you are paying by BPAY®, completed Entitlement and Acceptance Forms and payment of Application Money should be forwarded to the Share Registry by mail in the enclosed prepaid envelope or, if you are outside of Australia or do not use the prepaid envelope, by mail addressed to:

Indago Energy Limited
C/- Automic
Level 3,
50 Holt Street Surrey Hills,
New South Wales 2010

Completed Entitlement and Acceptance Forms and payments must be received by 5.00 pm (Melbourne time) on the Closing Date.

Please note that all acceptances, once received, are irrevocable.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. Please see Section 2.2(c) above for details.

Representations you will be taken to make by acceptance

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have:

- (e) acknowledged that you have fully read and understood this Offer Booklet and the Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- (f) agreed to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and Indago's constitution;
- (g) authorised Indago to register you as the holder of the New Shares allotted to you;
- (h) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (i) acknowledged that once Indago receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (j) acknowledged that you have a registered address in Australia, New Zealand or Hong Kong or certain other jurisdictions as explicitly consented to by Indago as at the Record Date;

- (k) agreed to apply for and be issued up to the number of New Shares and Additional Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Issue Price per New Share;
- (l) authorised Indago, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you;
- (m) declared that you were the registered holder at the Record Date of the Shares indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
- (n) acknowledged that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (o) acknowledged that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Indago and is given in the context of Indago's past and ongoing continuous disclosure announcements to the ASX;
- (p) acknowledged the statement of risks in the 'Risk Factors' Section of this Offer Booklet and that investments in Indago are subject to risk;
- (q) acknowledged that none of Indago or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Indago, nor do they guarantee the repayment of capital;
- (r) agreed to provide any requested substantiation of your eligibility to participate in the Entitlement Offer and your holding of Shares on the Record Date; and
- (s) authorised Indago to correct any errors in your Entitlement and Acceptance Form.

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (t) you are not in the United States and are not acting for the account or benefit of a person in the United States, and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (u) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New 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; and
- (v) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or a person acting for the account or benefit of a person in the United States.

2.3 No minimum subscription

There is no minimum subscription for an Eligible Shareholder under the Entitlement Offer.

2.4 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

2.5 Refunds of excess Application Monies

Any Application Monies received for more than the number of New Shares issued to you will be refunded as soon as reasonably practicable following the close of the Entitlement Offer. No interest will be paid on any Application Monies. Payment of any refund will be made by cheque mailed to your address as last recorded in Indago's register of members.

2.6 If you do nothing

If you do not apply for Shares pursuant to the Entitlement Offer, your entitlement under the Entitlement Offer will lapse.

If you do not apply for Shares pursuant to the Entitlement Offer, your percentage ownership in Indago will be diluted because the issue of New Shares to other Eligible Shareholders under the Entitlement Offer will increase the total number of Shares on issue.

3. Risk Factors

Indago's activities are subject to a number of risks which may impact future financial performance and the market price at which New Shares trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside Indago's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in the share market and risks specific to an investment in Shares and Indago's underlying business.

An investment in Indago carries with it the following risks:

1. General

Due to the inherently uncertain nature of the oil and gas industry, the Indago business carries with it various risks. Shareholders should realise that the value of Indago may fluctuate and that a dividend is not expected to be declared by Indago in the medium term. Whilst Indago will attempt to minimise the following risk factors, many of them are beyond its control. This list of risk factors should not be taken as being exhaustive of the risks faced by Indago. These factors and others not specifically referred to may materially affect the performance of Indago and the value of its shares.

2. Funding Risk

In order to fund the future growth of the Indago business it will be necessary for the Board to consider Indago's potential capital raising needs notwithstanding the funds raised under the current capital raising.

3. Early Stage Risk

The HCD Multiflow business is still at the early stage of its development. This brings with it a variety of potential risks. There is no assurance that Indago will be able to overcome them moving forward.

4. Absence of Revenue Risk

Indago has no current revenue and there is no certainty that product sales will be generated.

5. Demand and Supply Risk

Activities within the oil and gas industry by its nature are risky. The operations of customers can be affected by a huge number of factors, risks, issues and costs. These have a potential flow on effect as far as Indago is concerned, potentially putting strain on its customer and channel relationships. Competitive pressures can impact on Indago's ability to successfully engage with the more established

channel partners. A detailed list of the key risks associated with investing in New Shares is contained in the Investor Presentation

6. Competitor Risk

Indago operates in a competitive environment. Its competitors will compete with Indago in relation to products and in relation to sales price. Indago's competitors may seek to reverse engineer Indago's products.

7. Operational Risk

Indago is subject to the usual form of operational risks that apply to an international manufacturing/blending business. These include the potential for industrial disputes relating to labour or product logistics, raw material supply risks and costs, capital costs which may be incurred in the event of increased demand, the hiring of appropriately skilled and secure labour, and geopolitical and government risk.

8. Intellectual Property Risk

As set out above, whilst Indago will own the intellectual property relating to the Multiflow products, it will not be granted access to the formulas and related know-how until completion of the maximum royalty agreement payment in the absence of certain specified exceptions. There is a potential risk which arises simply because these formulas and related know-how are not held directly by Indago.

9. Currency Risk

Indago's revenues are expected to be largely denominated in US dollars, whereas its operating costs are expected to be largely denominated in a combination of US dollars and Australian dollars. As an ASX listed entity, Indago reports in Australian dollars. These aspects mean that Indago is potentially exposed to currency and exchange rate risk.

This list is not exhaustive and investors should read this Offer Booklet and the Investor Presentation in their entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares.

4. Further Information

4.1 Taxation

Taxation implications of participating in the Entitlement Offer will vary depending on the particular circumstances of individual Eligible Shareholders. Eligible Shareholders are advised to obtain their own professional taxation advice before making a decision in relation to the Entitlement Offer.

4.2 This Offer Booklet is not a prospectus

The Entitlement Offer is being conducted in accordance with Section 708AA of the Corporations Act (as modified by ASIC Legislative Instrument 2016/84). In general terms, Section 708AA relates to rights issues by certain companies that do not require the preparation of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is less than the level of disclosure required in a prospectus.

As a result, in deciding whether or not to accept the Entitlement Offer, you should rely on your own knowledge of Indago, refer to disclosures made by Indago to the ASX (which are available for inspection on the ASX website www.asx.com.au and on Indago's website at www.indagoenergy.com) and seek the advice of your professional adviser.

4.3 Holding Statements and trading of New Shares

Indago participates in the Clearing House Electronic Sub-Register System (**CHES**), in accordance with ASX Listing Rules and operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up Indago's principal register. Consequently, Indago will not issue certificates to security holders but they will be provided with a holding statement, which will set out the number of Shares allotted to them under this Entitlement Offer.

It is your responsibility to determine your holding of New Shares before trading to avoid the risk of selling New Shares you do not own. To the maximum extent permitted by law, Indago disclaims any liability to persons who trade New Shares before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Indago or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

4.4 Foreign shareholders

(a) General restrictions

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Booklet in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Booklet outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and the New Shares may not be offered outside Australia except to the extent permitted below.

Return of the Entitlement and Acceptance Form or your BPAY® payment will be taken by Indago as a representation by you that there has been no breach of any such laws.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand and Singapore except, with the consent of the Indago, to beneficial shareholders resident in certain other countries where Indago may determine it is lawful and practical to make the Entitlement Offer.

(b) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Indago with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.5 Privacy

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Indago (directly or through the Share Registry). Indago collects, holds and will use that information to assess and process your application, administer your shareholding in Indago and to provide related

services to you. Indago may disclose your personal information for purposes related to your shareholding in Indago, including to the Share Registry, Indago's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Indago holds about you. To make a request for access to your personal information held by (or on behalf of) Indago, please contact Indago through the Share Registry.

4.6 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5. Glossary and interpretation

5.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

Additional Shares	New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's entitlement
Announcement Date	12 July 2018
Applicant	a Shareholder as at the Record Date applying for New Shares under this Entitlement Offer
Application Monies	the sum of the relevant Entitlement Offer and any Additional Shares multiplied by the Issue Price
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited or, as the context requires, the financial market known as the Australian Securities Exchange operated by it
ASX Listing Rules	the official listing rules of the ASX as amended or replaced from time to time
Board	the board of directors of Indago
Business Day	means a day which is not a Saturday, Sunday or a public holiday in Victoria, Australia
Closing Date	the deadline for accepting the Entitlement Offer, being 5.00pm (Melbourne time) on 1 August 2018 (subject to change)
Company or Indago	Indago Energy Limited (ABN 75 117 387 354)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	the directors of Indago
Eligible Shareholder	has the meaning given in Section 1.2
Entitlement and Acceptance Form	the personalised entitlement and acceptance form to subscribe for New Shares accompanying this Entitlement Offer Booklet
Entitlement Offer	the pro rata non-renounceable offer of New Shares to Eligible Shareholders in accordance with the terms of this Offer Booklet
Issue Price	the price payable for each New Share under the Entitlement Offer, being 7.4 cents
New Shares	the Shares offered pursuant to the Entitlement Offer
Offer Booklet	this offer booklet dated 17 July 2018

Record Date	7.00pm (Melbourne time) on 18 July 2018
Share	a fully paid ordinary share in the capital of Indago
Shareholder	a registered holder of Shares
Share Registry	Automic Pty Ltd
Subsidiary	a body corporate that is a subsidiary of Indago within the meaning of the Corporations Act
Top-Up Facility	the mechanism by which Eligible Shareholders can apply for Additional Shares as described in Section 1.4
United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Securities Act	The United States Securities Act of 1933, as amended

5.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this document have corresponding meanings;
- (d) terms used in this document and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (e) other grammatical forms of a word or phrase defined in this document have a corresponding meaning; and
- (f) a reference to a Section is a reference to a Section of this Offer Booklet.

Corporate Directory

COMPANY NAME	Indago Energy Limited
ASX CODE	INK
DIRECTORS	Stephen Mitchell – Executive Chairman Allan Ritchie - Executive Director Nick Castellano - Executive Director Ray Shorrocks - Non-Executive Director
COMPANY SECRETARY	Julie Edwards
HEAD OFFICE	Level 6 412 Collins Street Melbourne VIC 3000
SHARE REGISTRY	Automic Pty Ltd Level 3, 50 Holt Street Surrey Hills, New South Wales 2010 Tel: 1300 288 664 (within Australia) Tel: +61 2 9698 5414 (within and outside Australia)

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular, this Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form to the Share Registry or making a payment including by BPAY® :

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations; and
- you provide authorisation to be registered as the holder of shares acquired by you and agree to be bound by the Constitution of the Company.

HOW TO APPLY FOR SHARES

1 Acceptance of New Shares

Enter into section 1 the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of New Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a New Share, the New Shares allotted will be rounded down.

3 Application for Additional Shares via the Top-Up Facility

You can only apply for additional Shares if you have applied for your full entitlement in section 1. The Company reserves the right to accept or reject applications for additional Shares via the Top-Up Facility and no interest will be paid on funds returned to the applicant. Enter into section 3 the number of Additional Shares you wish to apply for.

4 Payment Amount

Enter into section 4 the total amount payable for the number of additional New Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a New Share, the New Shares allotted will be rounded down.

5 BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the Closing Date.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such securities for which you have paid.

6 Cheque Details

Enter your cheque details in section 6. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **Indago Energy Limited** and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for.

7 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEST. We may use this email or number to contact you regarding your acceptance of the New Shares, if necessary.

***By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)**

LODGING YOUR ENTITLEMENT AND ACCEPTANCE FORM

This form must be received at an address given below by 5.00pm (AEST) on Wednesday 1 August 2018. (If you are making cheque payment)

BY MAIL

Indago Energy Limited
C/- Automic
PO Box 2226
Strawberry Hills NSW 2012

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm (AEST))

Automic
Level 29
201 Elizabeth Street
Sydney NSW 2000

If you require further information about the Offer, please contact Automic on 1300 288 664 between 9:00am and 5:00pm.