



## Indago Energy Limited

Dear Shareholder

### Entitlement Offer – Information for Shareholders

Indago Energy Limited (**Indago**) announced on 31 July 2017 that it intends to raise approximately \$3.05 million (before costs) through a 1 for 3 underwritten pro-rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for new fully paid ordinary shares in Indago (**New Shares**) on the basis of 1 New Share for every 3 shares held at an issue price of 7 cents per New Share.

The Entitlement Offer will be made pursuant to an Entitlement Offer booklet (**Offer Document**) and if you are eligible and wish to participate in the Entitlement Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Document.

Shareholders will also be invited to apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**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 fully underwritten by Patersons Securities Limited (**Underwriter**).

A copy of the Offer Document is expected to be lodged with ASX and sent to eligible shareholders on or about 7 August 2017. The Offer Document will be dispatched to shareholders with registered addresses in Australia and New Zealand and who hold Shares as at the record date of 7.00 pm (Melbourne time) on 3 August 2017 (**Record Date**).

Pursuant to the ASX Listing Rules, Indago is required to provide you with certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. A maximum of 43,579,405 New Shares will be issued pursuant to the Entitlement Offer (subject to the rounding of fractional entitlements to New Shares).
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.
3. The issue price of the New Shares will be 7 cents each.
4. Indago will apply for quotation of the New Shares issued pursuant to the Entitlement Offer on the official list of the ASX.

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5. The funds raised from the Entitlement Offer (after costs) together with other funds Indago has access to will be used by Indago to support the participation in, or acquisition of, oil and gas projects using its newly acquired Hydrocarbon Dynamics technology as well as to build a sales team in North America to market HCD products including Multi-Flow.
6. It is anticipated that the New Shares subscribed for will be entered into uncertificated holdings on or before 24 August 2017.
7. The total number and class of all securities quoted on ASX (including the maximum number of Shares to be issued under the Entitlement Offer) is as follows:

Shares	Number
Shares on issue at the Announcement Date	130,738,214
Shares offered under the Entitlement Offer	43,579,405*
Total Shares on issue on completion of the Placement and Entitlement Offer	174,317,619*

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

8. Indago has 39,950,000 options on issue with various expiry dates with exercise prices ranging from 10 cents to 25 cents, all unquoted.
9. All New Shares issued pursuant to the Entitlement Offer will have the same dividend entitlements as existing Indago shares on issue.
10. No shareholder approval for the Entitlement Offer is required.
11. The Entitlement Offer is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements and their equity interest in Indago will be diluted.
12. The New Shares in the Entitlement Offer will be offered on the basis of 1 new share for every 3 shares held by the shareholder as at the Record Date. Fractional entitlements will be rounded up.
13. The offer under the Entitlement Offer relates to fully paid ordinary shares in the capital of Indago.
14. The record date to determine entitlements is 7.00pm (Melbourne time) on 3 August 2017.
15. Shareholders will be invited to apply for additional New Shares in excess of their entitlement. If there are excess applications for additional New Shares, an appropriate allocation policy will be applied as set out in the Offer Document. The Entitlement and Acceptance Form will contain instructions on how to apply for additional shares.
16. Only shareholders with registered addresses in Australia and New Zealand will be sent the Offer Document. In compliance with Listing Rule 7.7.1, Indago has decided that it is unreasonable to make the Entitlement Offer to shareholders with registered addresses outside of a limited number of jurisdictions (non-eligible shareholders) having regard to each of the following:

- the number of those security holders registered;

- the number and value of the securities that would have been offered to those security holders; and
  - the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.
17. The closing date for receipt of acceptances is 5.00pm (Melbourne time) on 17 August 2017.
  18. The broker and underwriter of the Entitlement Offer is Patersons Securities Limited.
  19. The Offer Document for the Entitlement Offer and the Entitlement and Acceptance Form are expected to be dispatched to eligible shareholders on or about 7 August 2017.
  20. The latest date for dispatch of certificates or entry of the New Shares subscribed for into your security holdings is 24 August 2017.

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Link Market Services Limited as Share Registry on +61 1300 554 474.

Yours faithfully



**Julie Edwards**  
Company Secretary  
Indago Energy Limited