

27 March 2020

## **Board Supported Rights Issue**

Hydrocarbon Dynamics Limited (“HCD”) announces that, to support the recent strategic review, and along with the recently announced \$1 million cost cutting initiatives, HCD will undertake a 1 for 5 non-renounceable Rights Issue at \$0.015/share to raise up to \$850,000. The issue price of the Rights Issue is a 25% discount to the prevailing share price of \$0.02

All HCD directors have committed to participate in the issue and Messrs Mitchell, Shorrocks and Seaton have stated their intention to support the rights issue for their full allocation with HCD Chairman committing up to \$300,000 to support the Rights Issue. HCD’s largest shareholder has also expressed its intention to fully participate for its 9.4% entitlement.

The financing is being undertaken to support the new strategic plan and is being done in conjunction with cost cutting measures as previously announced.

The small capital raising and discounted price has been structured to encourage shareholder participation and the Company will seek to place any shortfall with sophisticated investors.

HCD’s Chairman, Stephen Mitchell, stated “It is regrettable that we go to shareholders at this time, but the board felt it important to ensure the Company has adequate financial resources to build on the momentum generated by recent results and to support the continued development and marketing of HCD’s key products including HCD Multi-Flow”.

For further information please contact:

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