



Announcement Summary

Entity name

HYDROCARBON DYNAMICS LIMITED

Announcement Type

New announcement

Date of this announcement

15/2/2022

The Proposed issue is:

A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
HCD	ORDINARY FULLY PAID	146,763,369

Ex date

18/2/2022

+Record date

21/2/2022

Offer closing date

14/3/2022

Issue date

18/3/2022

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

HYDROCARBON DYNAMICS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

75117387354

1.3 ASX issuer code

HCD

1.4 The announcement is

New announcement

1.5 Date of this announcement

15/2/2022

1.6 The Proposed issue is:

A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

+ Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

HCD : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +security code and description

HCD : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

1

For a given quantity of +securities held

3



What will be done with fractional entitlements?

Fractions of 0.5 or more rounded up

Maximum number of +securities proposed to be issued (subject to rounding)

146,763,369

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.01100

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

No limit

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

As directors discretion

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 3C - Timetable

3C.1 +Record date

21/2/2022

3C.2 Ex date

18/2/2022



3C.4 Record date

21/2/2022

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

22/2/2022

3C.6 Offer closing date

14/3/2022

3C.7 Last day to extend the offer closing date

9/3/2022

3C.9 Trading in new +securities commences on a deferred settlement basis

15/3/2022

3C.11 +Issue date and last day for entity to announce results of +pro rata issue

18/3/2022

3C.12 Date trading starts on a normal T+2 basis

21/3/2022

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

23/3/2022

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

Yes

3E.1a Who is the lead manager/broker?

Peloton Capital Pty Ltd

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

5% on any shortfall placed

3E.2 Is the proposed offer to be underwritten?

Yes

3E.2a Who are the underwriter(s)?

Malangi Pty Ltd

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

\$266,645

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

Nil

**3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated**

Contravention of constitution or Act. An event occurs which gives rise to a material adverse effect. Official quotation is qualified or conditional. An event of insolvency. A Judgment against the company exceeding \$25,000. Litigation, arbitration, administrative or industrial proceedings. A change in the composition of the board of HCD or a change in the senior management. Material change in the major or controlling shareholdings or a takeover offer or scheme of arrangement. Delay in any specified date in the timetable which is greater than 7 Business Days. A force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs. The company takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution. A suspension or material limitation in trading generally on ASX occurs.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer? Yes**3E.2e (i) What is the name of that party?**

Malangi Pty Ltd is a related party of Mr Stephen Mitchell

3E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?

\$266,645

3E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?

Nil

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission? No**3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer****Part 3F - Further Information****3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue**

HCD 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 and to support its upstream activities as well as general working capital purposes.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue? No**3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?** No**3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue**

Any country outside Australia and New Zealand except, with the consent of the HCD, to beneficial shareholders resident in certain other countries where HCD may determine it is lawful and practical to make the Entitlement Offer.



3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

No

3F.6 URL on the entity's website where investors can download information about the proposed issue

3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

No

3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)