

18 October 2024

Notice to Optionholders of Non-Renounceable Entitlement Offer

Dear Optionholder,

We write to you as the registered holder of fully paid ordinary shares in Hydrocarbon Dynamics Limited (HCD or the Company).

Pursuant to the prospectus lodged with ASX and ASIC on 10 October 2024 (Prospectus), the Company is undertaking a non-renounceable pro-rata Entitlement Offer of 1 New Share for every 3 existing Shares held on the Record Date, being 5.00pm ADST on Wednesday 16 October 2024 at an issue price of 0.3 cents per New Share to raise approximately \$800,000 (before costs). In addition, one free unlisted Option for every two New Shares will be issued, exercisable at 0.5 cents and expiring 12 months from the issue date.

The Entitlement Offer is fully underwritten.

Capitalised terms used, but not defined in this letter, have the meaning ascribed to them in the Prospectus.

The Entitlement Offer is made Eligible Shareholders only. Eligible Shareholders are those Shareholders who:

- are the registered holder of Shares on the Record Date; and
- have a registered address in Australia or New Zealand.

Your participation

Pursuant to the terms of the Options you currently hold, there is no entitlement to participate in the Entitlement Offer unless you exercise your Options into Shares and are entered onto the register as a shareholder of the Company by the Record Date.

If you wish to participate in the Entitlement Offer, a notice of exercise and payment of the Options' exercise price should be lodged with the Company with sufficient time to ensure that you are registered as a shareholder of the Company by the Record Date.

If you do not wish to participate in the Entitlement Offer, no action is required.

Further details

For all enquiries concerning the Entitlement Offer, please contact the Company Secretary by telephone on +61 3 9642 2899 or email juliee@lowell.net.au. For all general shareholder enquiries, please contact the Company's Share Registry, Automic Pty Ltd on +61 2 9698 5414 (within Australia) and +1300 288 664 (outside Australia). You should also consult your stockbroker, solicitor, accountant or other suitably qualified professional adviser if you have any further questions.

Yours faithfully,



Stephen Mitchell
Chairman
Hydrocarbon Dynamics Limited