

18 October 2024

Notice to Ineligible Foreign Shareholders of Non-Renounceable Entitlement Offer

Dear Shareholder,

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.

Ineligible Foreign Shareholders

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.

Pursuant to section 9A(3)(a) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and ASX Listing Rule 7.7.1(a), the Company has determined that it is unreasonable on this occasion to extend the Entitlement Offer to shareholders with a registered address outside of Australia and New Zealand (**Ineligible Foreign Shareholders**), having regard to the small number of Ineligible Foreign Shareholders, the relatively small number and value of new Shares that would be issued to the Ineligible Foreign Shareholders under the Entitlement Offer and the costs of complying with the legal and regulatory requirements in each such jurisdiction.

As you do not satisfy the criteria for an Eligible Shareholder, you are deemed to be an Ineligible Foreign Shareholder for the purposes of the Entitlement Offer. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), the Company wishes to inform you that it is unfortunately unable to extend to you the opportunity to participate in the Entitlement Offer. Under the terms of the Entitlement Offer, you are not eligible to apply for the new Shares offered and you will not be sent a copy of the Prospectus.

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