

18 October 2024

Notice to Eligible 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) as at 5.00pm (ADST) on 16 October 2024 (Record Date).

Pursuant to the prospectus lodged with ASX and ASIC on 10 October 2024 (Prospectus), the Company is undertaking a non-renounceable pro-rata entitlement issue of 1 New Share for every 3 existing Shares held by Eligible Shareholders on the Record Date, 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.

Eligible Shareholders can apply for surplus to their entitlement to the extent any shortfall is available at the closing of the Entitlement Issue offer period.

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

How to access the Entitlement Offer Top-Up Offer

1. ONLINE - The Prospectus and personalised Application Form can be accessed via the Automic Investor portal: <https://investor.automic.com.au/#/home>
2. PAPER - Request a paper copy of the Prospectus and the personalised Application Form by contacting the Company Secretary at juliee@lowell.net.au.

The Entitlement Offer is fully underwritten

Use of funds

Proceeds from the SPP will be used for working capital purposes while the company completes a review of financing options of its existing operations as well as to advance new investment opportunities.

Eligibility

Participation in the Entitlement Offer is optional and is available exclusively to shareholders with a registered address in Australia or New Zealand as at 5pm on 16 October 2024.

How to apply

The Entitlement Offer closes on Friday, 8th November 2024 (or such later date as the Company determines, in its absolute discretion).

The Company will not be printing / dispatching hard copies of the Offer Booklet or Acceptance Forms. Instead, an electronic copy of the Offer Booklet and your Acceptance Form is available and accessible by you (using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: <https://investor.automic.com.au> and make payment by BPAY® or EFT for your full entitlement by following the instructions on the Acceptance Form.

You are also invited to apply for additional New Shares (and accompanying New Options) in excess of their entitlement under the Shortfall Offer 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.

Cleared funds must be received by no later than 5pm (AEDT) on Friday, 8 November 2024.

To download the Offer Booklet and your Acceptance Form you have the following 3 choices:

I already have an online account with the Automic Share registry	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but want to use Automic for this Offer only
<p>https://investor.automic.com.au</p> <p>Select: "Existing Users Sign In"</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Prospectus and Acceptance Form</p> <p>Do not return your acceptance form</p>	<p>https://investor.automic.com.au/#/signup</p> <p>Select: Hydrocarbon Dynamics Limited from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box "I am not a robot", then Next.</p> <p>Complete prompts</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Prospectus and Acceptance Form</p> <p>Do not return your acceptance form</p>	<p>https://investor.automic.com.au/#/loginsah</p> <p>Select: Hydrocarbon Dynamics Limited from the dropdown list in the ISSUER field</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box "I am not a robot", then Access</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Prospectus and Acceptance Form</p> <p>Do not return your acceptance form</p>

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the terms and conditions and your acceptance form – initially by calling Automic Group on 1300 288 664 or emailing hello@automicgroup.com.au and asking them to mail a paper copy of the terms and conditions and your acceptance form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To accept an Offer using these paper copy documents, you will still need to make payment via BPay® or via Electronic Funds Transfer (EFT). For New Zealand shareholders please follow the instructions on your acceptance form to make payment via Electronic Funds Transfer (EFT).

Queries

If you have any questions in relation to how to participate in the Entitlement Offer, please call Automic as Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (within and outside Australia). If you have any questions in relation to whether an investment in the Company through the Entitlement Offer is appropriate for you, please contact your stockbroker, accountant, or other professional financial adviser.

Thank you for your continued support of Hydrocarbon Dynamics Limited.

Yours faithfully,



Stephen Mitchell
Chairman
Hydrocarbon Dynamics Limited