

# ALLIGATOR ENERGY LTD

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## ASX ANNOUNCEMENT

24 August 2015

Dear Shareholder

### **Alligator Energy Limited – non-renounceable rights issue Notice to security holders**

Alligator Energy Limited (**AGE** or **Company**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new share for every 4 shares currently held at an issue price of \$0.04 per share (**New Shares**), to raise approximately \$3,114,697, based on AGE's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 77,867,423 fully paid ordinary shares will be offered under the Rights Issue.

The Rights Issue will be available to all registered shareholders who hold shares at 7pm (Brisbane time) on 27 August 2015 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued under the Rights Issue will rank equally with all shares on issue. Eligible shareholders will also be entitled to apply for additional New Shares in excess of their entitlement.

In accordance with the Listing Rules of the ASX, AGE has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia and New Zealand will not be entitled to participate in the Rights Issue.

The purpose of the Rights Issue is to raise approximately \$3,114,697, before the costs of the Rights Issue. The funds raised from the Rights Issue will be to fund the costs of the Rights Issue, to undertake the drilling program of three priority targets at the Company's Beatrice Project commencing September 2015, to fulfil any exploration expenditure commitments in the region, to investigate and advance business development opportunities and to provide working capital.

While the Offer is not underwritten, the Macallum Group Limited (**MGL**), which has a 19.87% substantial shareholding in Alligator (and has held in excess of 19% for a period of six months), has advised the Company that it intends to take up its entitlement under the Offer to the fullest extent possible under the provisions of the Corporations Act.

The majority of directors who hold shares in the Company have indicated their intention to support for the Rights Issue.

A proposed timetable for the Rights Issue is set out in the table below:

<b>Announcement and lodge Offer Document with ASX</b>	21 August 2015
<b>Section 708AA notice given to ASX</b>	21 August 2015
<b>Notice provided to Option Holders</b>	21 August 2015
<b>Notice to security holders with Appendix 3B information</b>	24 August 2015
<b>Ex Date</b>	25 August 2015
<b>Record Date for the Issue</b>	27 August 2015 7.00 pm (Brisbane time)
<b>Dispatch of Offer Document and Acceptance Form</b>	1 September 2015
<b>Opening Date of Offer</b>	1 September 2015 at 9:00am (Brisbane time)
<b>Last day to extend Closing Date</b>	10 September 2015
<b>Closing Date of Offer</b>	15 September 2015 at 5:00pm (Brisbane time)
<b>Notify ASX of any under-subscriptions</b>	18 September 2015
<b>Issue of New Shares</b>	22 September 2015
<b>Lodgement of section 708A Notice</b>	23 September 2015
<b>Commencement of trading of New Shares on ASX</b>	23 September 2015
<b>Dispatch of New Shares holding statements</b>	23 September 2015

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules.

The Rights Issue is being made without a disclosure document in accordance with section 708AA of the Corporations Act). **The offer document to be issued to Eligible Shareholders (Offer Document) was lodged with ASX on 21 August 2015 and is available on the Company's website [www.alligatorenergy.com.au](http://www.alligatorenergy.com.au) and the ASX website.** AGE will prepare and send the Offer Document to Eligible Shareholders on 1 September 2015, as set out in the timetable above.

#### **Excluded information**

AGE advises that as at the date of this notice there is no information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (2) the rights and liabilities attaching to the New Shares,

except for the following information:

#### **Further information**

The Company anticipates that a maximum of approximately 77,867,423 New Shares will be issued (this number may have to be increased by 2,237,500 New Shares if all existing option holders exercise their options prior to the Record Date).

Upon completion of the Rights Issue, assuming that it is fully subscribed and assuming that existing option holders do not exercise their options, the issued capital of AGE will comprise approximately 389,337,113 shares. The Company also has 8,950,000 unlisted options on issue exercisable at prices ranging from \$0.15 to \$0.25 each with expiry dates ranging from 21 November 2015 to 7 March 2017 and 7,277,178 unlisted "zero strike priced" options on issue which are subject to

performance criteria with expiry dates ranging from 31 January 2016 or 21 April 2018. Details of the issued share capital are included in the Appendix 3B lodged with the ASX on 21 August 2015.

The New Shares will rank equally in all respects with AGE's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

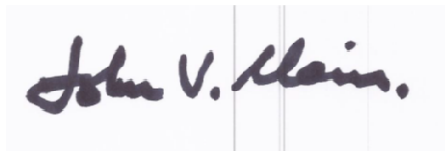
Trading in the New Shares is expected to commence on 23 September 2015, the first business day following the issue of the New Shares. The Rights Issue is non-renounceable therefore entitlements to the New Shares cannot be traded on the ASX.

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 21 August 2015. As stated in that Appendix 3B, the Company currently has capacity to issue 46,720,453 equity securities pursuant to ASX Listing Rule 7.1 and has not sought nor obtained approval under ASX Listing Rule 7.1A.

The Company's largest Shareholder, MGL, has expressed its interest and present intention (but is not obliged) to accept its Entitlement under the Offer, to the extent that it is permitted under the Corporations Act and in particular the takeover provisions in Chapter 6 of the Corporations Act. MGL and its associates have held at least 19% of the Shares in the Company throughout the 6 months period prior to the Issue and will be able to rely on Exception 9 of Section 611 of the Corporations Act to increase their shareholding in the Company by 3% from the level held 6 months ago (**3% Creep Rule**) to a level in excess of 20% of the Company's Shares. MGL and its associates can increase their shareholding in the Company to 22.87% in reliance on the 3% Creep Rule.

In the unlikely event that no Eligible Shareholders take up their entitlements (and none of the Option Holders exercise their Existing Options and participate in the Offer) and MGL is the only party to subscribe for New Shares, MGL will receive 14,586,286 New Shares under the Offer and MGL's voting power (together with its associates) would be 23.74%. In such an unlikely event, MGL has expressed to the Company that it intends to take up its Entitlement only to the extent permitted under the Corporations Act. AGE encourages all eligible shareholders to participate in the capital raising.

Yours faithfully

A handwritten signature in black ink that reads "John V. Main." The signature is written in a cursive style and is positioned above a horizontal line.

John Main  
Chairman