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NEW HORIZON COAL SIGNS AGREEMENTS TO ACQUIRE 2 TEXAS, USA OIL PROJECTS

- New Horizon Coal Ltd (ASX: **NHO**) has signed two conditional agreements to acquire two Texas, USA oil and gas projects being:
 - an agreement to purchase a 100% working interest in 3,118 net acres in Trinity, Houston and Walker counties, Texas, USA (**Trinity Oil Project**) which is an area which has seen recent oil exploration and production activity in the Woodbine, Eagle Ford, Buda and Glen Rose formations (“Eaglebine” and “BudaRose”); and
 - an agreement to drill 3 oil wells in Presidio County, Texas, USA (**Presidio Oil Project**) to earn a 70% working interest in 6,280 net acres which are prospective for oil in the Edwards, Olmos and Eagle Ford formations.
- Subject to NHO’s shareholders approving a 2 into 1 consolidation of its capital, NHO will conduct a non-renounceable rights issue to NHO’s shareholders on the basis of eight (8) new (post consolidation) shares for every one (1) existing (post consolidation) share held at an issue price of A\$0.02 per share (post consolidation), together with one (1) free attaching option exercisable at A\$0.02 each (on a post-consolidation basis) on or before 31 December 2021 for every three (3) new shares applied for and issued, to raise up to approximately A\$18,880,000 (**Rights Issue**). The minimum subscription under the Right Issue will be A\$12,000,000.
- The total combined purchase price to be paid by NHO for the Trinity Oil Project and the Presidio Oil Project is US\$1,450,000 cash plus 240,000,000 shares (post consolidation) along with 240,000,000 performance rights (post consolidation).
- In addition to the Rights Issue there will be a capital raising by way of a placement of up to 630,000,000 options (**Options Placement**). Each option will have an exercise price of A\$0.02 (post consolidation) and have a term which expires at 5pm (WST) on 31 December 2021. Each option will be issued at an issue price of A\$0.00001 to raise up to \$6,300.
- CPS Capital Group Pty Ltd, has been appointed by NHO as the Lead Manager and Broker to the Rights Issue and the Options Placement.
- Re-compliance with Chapters 1 and 2 of the ASX Listing Rules is a condition precedent to the acquisition of the Trinity Oil Project and the Presidio Oil Project being completed.

Background

NHO has been evaluating new projects in all business sectors, with a particular focus however, on both the mining resource sector and oil and gas sector, in order to undertake a transaction which will be value accretive to NHO's shareholders and which will also enable NHO to re-comply with the requirements of Chapters 1 & 2 of the ASX's Listing Rules and consequently seek reinstatement to trading on ASX.

Trinity Oil Project

NHO has signed an agreement to purchase a 100% working interest in 3,118 net acres in Trinity, Houston and Walker counties, Texas, USA (**Trinity Oil Project**) which is an area which has seen recent oil exploration and production activity in the Woodbine, Eagle Ford, Buda and Glen Rose formations ("Eaglebine" and "BudaRose").

NHO has agreed to buy all right, title and interest in and to a 100% working interest (**WI**) in 3,118 net acres of oil and gas mineral rights situated at the intersection of Trinity, Houston and Walker counties in Texas, USA along with a net revenue interest (**NRI**) of 75% of 8/8ths (being 100% of a NRI of 75%) in respect of the leases. The mineral rights owners and the vendors (and/or their nominees) in aggregate will retain a 25% gross revenue royalty.

Subject to the satisfaction of the conditions precedent (set out below), the consideration payable by NHO for the Trinity Oil Project is US\$990,000 cash plus 192,000,000 fully paid ordinary shares in the capital of NHO (post consolidation). Subject to commercial success, NHO intends to use the vendors to acquire more leases in the area of mutual interest (**AMI**), in exchange for a 5% overriding gross revenue royalty interest (**ORRI**) on those additional leases which are purchased by NHO. None of the vendors of the Trinity Oil Project are associated with NHO's existing directors or substantial shareholders of NHO.

The oil plays contained within the leases which appeal to NHO are contained within the thick, organically rich section located below the Austin Chalk formation all the way down to the Glen Rose formation. This overall "Eaglebine/BudaRose" section contains both conventional and unconventional oil reservoirs. However the vast majority of the targeted sections should be classified as unconventional tight oil reservoirs. One potential development option for NHO would be via drilling vertical wells and then comingling all zones in a single completion post fracking. Another potential development option for NHO would be via drilling fracked horizontal wells into the Lower Woodbine interval.

Presidio Oil Project

NHO has also signed an agreement to drill 3 oil wells in Presidio County, Texas, USA (**Presidio Oil Project**) in order to earn a 70%WI in 6,280 net acres which are prospective for oil in the Edwards, Olmos and Eagle Ford formations.

NHO will earn a 70%WI in the 6,280 net acres located in Presidio County, Texas, if NHO drills, as operator, on or before 31 March 2017, at a cost of at least US\$500,000, one vertical oil well on the leases and subsequent to that drills, as operator, on or before 31 December 2017, at a cost of at least US\$1,000,000, two further vertical oil wells on the leases. In addition to earning a 70%WI, NHO will earn a NRI of 52.50% of 8/8ths (being 70% of a NRI of 75%). The mineral rights owners and the vendors (and/or their nominees) in aggregate will retain a 25% gross revenue royalty and 30%WI. Any further wells drilled after the initial 3 wells will be on a "heads up" basis, with NHO paying 70% of the costs and the vendors (and/or their nominees) paying 30%.

In addition to the 3 vertical well drilling obligation, NHO is required to pay to the vendors (and/or their nominee/s) US\$460,000 cash plus 48,000,000 shares (post consolidation) along with 240,000,000 performance rights. Each performance right will only vest and convert into one fully paid up ordinary share in NHO in the event that the performance milestone is achieved. The performance milestone is the average daily production (net to NHO) (pre-royalty) from the leases that comprise the Presidio Oil Project exceeding 1,200 or more barrels of oil equivalent (boe). These shares and performance rights will be issued to the vendors (and/or their nominee/s) concurrently with settlement of the acquisition of the Trinity Oil Project. None of the vendors of the Presidio Oil Project are associated with NHO's existing directors or substantial shareholders of NHO.

The primary conventional oil play contained within the leases which comprise the Presidio Oil Project that appeals to NHO is a shallow vertical test for Eagle Ford shale oil sourcing the porous Edwards Limestone reservoir. The first vertical well into the Edwards formation will be a conventional test of a horst block with at least 800 feet of down to the platform throw and 500 feet of down to the basin throw along its 7 mile length. The area of interpreted mapped closure that will be the subject of the 3 well drilling program is 3,555 acres.

Conditions Precedent

Completion of the acquisition by NHO of the Trinity Oil Project and the Presidio Oil Project remains subject to and conditional upon the following conditions precedent on or before 31 March 2017:

- Completion of due diligence by NHO on or before 5 January 2017 (unless otherwise mutually agreed between the parties);
- Completion of due diligence by the vendors on NHO on or before 5 January 2017 (unless otherwise mutually agreed between the parties);
- Completion of the Rights Issue by NHO and completion of the Options Placement.
- the parties obtaining all necessary approvals and consents from affected third parties for the assignment and transfer of the interests in the Trinity Oil Project and the Presidio Oil Project;
- NHO obtaining all shareholder approvals to complete the matters outlined in the agreements, including any approvals required by NHO to re-comply with the admission and quotation requirements of ASX, including without limitation:
 - approval for the issue of the shares and performance rights to the vendors (and/or their nominee/s) as consideration for the acquisitions and for the issue of the shares and options pursuant to the Rights Issue;
 - approval and execution of a 2 into 1 consolidation of NHO's capital.
 - approval to change the nature and scale of its activities from a coal exploration company to an oil and gas company.
- NHO obtaining all necessary regulatory approvals on terms acceptable to NHO to allow NHO to lawfully complete the matters set out in the agreements, including, but not limited to, conditional approval for reinstatement of NHO's quoted securities to official quotation on ASX following completion of the acquisition of the Trinity Oil Project on terms and conditions satisfactory to NHO.

If the conditions precedent to the agreements are not all satisfied or waived by 31 March 2017 then each agreement may be terminated by any party entitled to waive the condition precedent that has not been satisfied (or waived) or where the condition precedent cannot be waived, by any party.

Capital Raising

Subject to NHO's shareholders approving a 2 into 1 consolidation of capital, NHO will conduct a non-renounceable rights issue to NHO's shareholders on the basis of eight (8) new shares (post consolidation) for every one (1) share held (post consolidation) at an issue price of A\$0.02 per share (post consolidation), together with one (1) free attaching option for every three (3) new shares applied for and issued, to raise up to approximately A\$18,880,000 (**Rights Issue**). The minimum subscription under the Right Issue will be A\$12,000,000. Each option will have a term which expires at 5pm (WST) on 31 December 2021 and have an exercise price of A\$0.02.

On 8 December 2016 NHO received from ASX a grant of a waiver from the requirements of ASX Listing Rule 2.1 Condition 2 to allow NHO to issue shares at A\$0.02 per Share under the Rights Issue as part of NHO's re-compliance with Chapters 1 and 2 of the ASX Listing Rules. In addition, on 8 December 2016, NHO received from ASX a grant of a waiver of ASX Listing Rules 7.11.3 and 7.15 to enable NHO to undertake the Rights Issue on the terms contemplated above.

In addition to the Rights Issue there will be a capital raising by way of a placement issue of up to 630,000,000 options (post consolidation) (**Option Placement**). Each option will have an exercise price of A\$0.02 and have a term which expires at 5pm (WST) on 31 December 2021. Each option will be issued at an issue price of A\$0.00001 to raise up to \$6,300. In the event that the number of options to be issued under the Option Placement would breach the ASX Listing Rules (including, but not limited to, ASX Listing Rule 1.1, Condition 1), the number of options to be issued under the Option Placement shall be scaled-back.

CPS Capital Group Pty Ltd, has been appointed by NHO as the Lead Manager and Broker to the Rights Issue. Upon settlement of the acquisition of the Trinity Oil Project, NHO has agreed to issue to CPS Capital Group Pty Ltd (and/or its nominees) 25,000,000 shares and 25,000,000 options (each on a post-consolidation basis). The options will be issued on the same terms as the options issued under the Rights Issue.

Board composition

Within 90 days of the completion of the acquisition of the Trinity Oil Project, it is proposed that the board of directors of NHO will comprise existing directors Tony Brennan and Gary Steinepreis, together with two independent directors nominated by the vendors who, as at the date of this announcement, have not yet been notified to NHO by the vendors.

Shareholder approval

A general meeting is proposed to be convened to approve the change in activities (pursuant to ASX Listing Rule 11.1.2) referred to above, along with resolutions to approve the acquisitions, the Rights Issue, the consolidation and associated business (**General Meeting**).

Proposed change of name

The Company also proposes to seek shareholder approval at the General Meeting to change its name to "Helios Energy Limited".

Capital Structure

A proforma capital structure for NHO post completion of the purchase by NHO of the Trinity Oil Project and the Presidio Oil Project (including the proposed Rights Issue, Option Placement and

issues to advisors) is contained in Annexure A at the end of this ASX announcement. The anticipated capital structure of NHO is only an estimate and is subject to variation.

Indicative Timetable

The indicative timetable for completion of the proposed transaction is outlined below:

Event	Date
Company's Shares are suspended from Official Quotation on ASX	13 October 2015
Announcement of Acquisitions	5 January 2017
Due diligence on Acquisitions completion	5 January 2017
Dispatch Notice of Meeting seeking approval for, amongst other things, the Acquisitions	6 January 2017
General Meeting of Shareholders ASX notified whether Shareholder approval has been granted for the Consolidation	6 February 2017
The last day for trading in pre-Consolidation securities	7 February 2017
Date that securities commence trading on a deferred settlement (post-Consolidation) basis	8 February 2017
Last day to register transfers on a pre-Consolidation basis	9 February 2017
First day for the Company to send notice to each security holder of the change in their details of holdings First day for the Company to register securities on a post-Consolidation basis First day for issue of new holding statements	10 February 2017
Issue date – deferred settlement market ends Last day for the Company to send notice to each security holder of the change in their details of holdings Last day to send new holding statements and enter securities into the holders' security holdings	15 February 2017
Lodgment of Prospectus with ASIC	16 February 2017
Notice sent to Shareholders	20 February 2017
Ex Date	21 February 2017
Record Date for determining Shareholder entitlements	22 February 2017
Prospectus sent out to Shareholders	27 February 2017
Last day to extend the Rights Issue	3 March 2017
Closing date of Rights Issue	9 March 2017
Securities quoted on a deferred settlement basis	10 March 2017
Notify ASX of under-subscriptions	14 March 2017
Issue date/Shares entered into Shareholders' security holdings Settlement of Trinity Oil Project Acquisition Issue of consideration securities for Presidio Oil Project	16 March 2017
Despatch of holding statements	16 March 2017
Re-quotation of securities on ASX (subject to NHO re-complying with Chapters 1 and 2 of the ASX Listing Rules and subject to ASX agreeing to reinstate NHO's securities to quotation)	Week commencing 3 April 2017

The above table is an indication only and is subject to change. Shareholders should also note that if shareholder approval of the acquisitions is obtained, the Company's securities will remain suspended until such time as the Company has satisfied Chapters 1 and 2 of the ASX Listing Rules.

Proforma Balance Sheet

The unaudited consolidated balance sheet and the unaudited proforma consolidated balance sheet of NHO, both as at 30 September 2016, are set out in Annexure B.

The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements but is prepared on the basis of the accounting policies normally adopted by NHO and reflect the changes to its financial position.

The proforma has been prepared assuming settlement of the acquisition of the Trinity Oil Project and the Presidio Oil Project (incorporating the issue of the consideration securities, the issue of securities pursuant to the Rights Issue and Option Placement and the proposed issue of shares to advisers) and no existing Options are exercised.

For and on behalf of the Board

Contact Information:

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Important Notice

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which NHO operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside NHO's control.

NHO does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of NHO, its directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by NHO. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Annexure A

Proforma Capital Structure

Shares	Minimum capital raising (\$12 million)	Maximum capital raising (\$18.88 million)
Shares currently on issue	236,000,000	236,000,000
Proposed 2:1 Consolidation	118,000,000	118,000,000
Proposed issue of Shares pursuant to Rights Issue	600,000,000	944,000,000
Proposed issue of Shares pursuant to the Acquisition of the Trinity Oil Project	192,000,000	192,000,000
Proposed issue of Shares pursuant to the Acquisition of the Presidio Oil Project	48,000,000	48,000,000
Proposed issue of Advisor Securities	25,000,000	25,000,000
Total Shares	983,000,000	1,327,000,000
Options	Minimum capital raising (\$12 million)	Maximum capital raising (\$18.88 million)
Options currently on issue	Nil	Nil
Proposed issue of Options pursuant to Rights Issue (Quoted exercisable at \$0.02 on or before 31 December 2021)	200,000,000	314,666,667
Proposed issue of Options under Placement (Unquoted exercisable at \$0.02 on or before the date 31 December 2021)	518,000,000 ¹	630,000,000
Proposed issue of Advisor Securities (Unquoted exercisable at \$0.02 on or before 31 December 2021)	25,000,000	25,000,000
Total Options – quoted and unquoted	743,000,000	969,666,667

Notes:

1. Scaled-back for compliance with ASX Listing Rule 1.1, Condition 1 and ASX Listing Rule 7.16.

Performance Rights	Minimum capital raising (\$12 million)	Maximum capital raising (\$18.88 million)
Performance Rights currently on issue	Nil	Nil
Proposed issue of Performance Rights pursuant to the Acquisition of the Presidio Oil Project	240,000,000	240,000,000
Total Performance Rights	240,000,000	240,000,000

Annexure B

PROFORMA BALANCE SHEET

(a) **Introduction**

This Annexure B sets out the Historical Financial Information and Proforma Financial Information. The basis for preparation and presentation is set out below.

The Financial Information has been prepared by management and adopted by the Directors of the Company.

(b) **Basis of Preparation**

The Historical Financial Information and Proforma Financial Information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies on the assumption that the proposed acquisition occurred on 30 September 2016.

The accounting policies comply with Australian Equivalents to International Financial Reporting Standards (**AIFRS**) which ensures compliance with International Financial Reporting Standards (**IFRS**). The Historical and Proforma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

The Company's financial statements for the year ended 30 June 2016 have been audited by BDO (Perth).

The Historical Financial Information of the consolidated group provided in this Notice of Meeting comprises a Proforma consolidated balance sheet as at 30 September 2016, which is based upon:

- (a) the Company's unaudited balance sheet as at 30 September 2016 (the **Historical Financial Information**); and
- (b) relevant Proforma adjustments required to present the consolidated group, (together with the Historical Financial Information, the **Proforma Financial Information**).

The information in this Annexure B is presented on a Proforma basis only, and as a result it is likely that this information will differ from the actual financial information for the consolidated group as at completion of the proposed acquisition.

(c) **Proforma Financial Information**

This Section contains the Proforma Financial Information reflecting the combined business of the Company and the acquisition of the assets being the Trinity Project and the Presidio Project. The Proforma Financial Information is presented to provide shareholders with an indication of the consolidated group's consolidated financial position as if the proposed acquisition had been implemented as at 30 September 2016.

As the proposed acquisition, if implemented, will be effected at a future date, the actual financial position of the consolidated group post completion will differ from that presented below. References to notes in the table presented below refer to the notes to Proforma adjustments set out below. The A\$ to US\$ exchange rate of 0.73 has been used.

New Horizon Coal Ltd
Proforma balance sheet

30-Sep-16 A\$/US\$ 0.73

MAXIMUM CAPITAL RAISING

	NHO 30-Sep-16	NHO equity adjustments	Trinity	Presidio	Capital raising	Option placement	Prospectus, deal and Broker fees	Total Proforma
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current assets								
Cash and cash equivalents	544,000							544,000
- Capital raising					18,880,000	6,300		18,886,300
- Trinity US\$990,000			(1,356,164)					(1,356,164)
- Presidio US\$460,000				(630,137)				(630,137)
- Prospectus and capital raising costs					(1,132,800)	(378)	(492,344)	(1,625,522)
Total current assets	544,000	0	(1,356,164)	(630,137)	17,747,200	5,922	(492,344)	15,818,477
Non current assets								
Oil and gas project acquisition								
- Trinity-192,000,000 shares			3,840,000					3,840,000
- Trinity US\$990,000			1,356,164					1,356,164
- Presidio-48,000,000 shares				960,000				960,000
- Presidio US\$460,000				630,137				630,137
Total non current assets	0	0	5,196,164	1,590,137	0	0	0	6,786,301
Total assets	544,000	0	3,840,000	960,000	17,747,200	5,922	(492,344)	22,604,778
LIABILITIES								
Current liabilities								
Trade and other payables	(24,000)	(25,000)						(49,000)
Total current liabilities	(24,000)	(25,000)	0	0	0	0	0	(49,000)
Total liabilities	(24,000)	(25,000)	0	0	0	0	0	(49,000)
NET ASSETS	520,000	(25,000)	3,840,000	960,000	17,747,200	5,922	(492,344)	22,555,778
EQUITY								
Contributed equity	(20,372,705)							(20,372,705)
- Capital raising					(18,880,000)			(18,880,000)
- Trinity-192,000,000 shares			(3,840,000)					(3,840,000)
- Presidio-48,000,000 shares				(960,000)				(960,000)
- Prospectus and capital raising costs					1,132,800	378	492,344	1,625,522
Reserves	(2,166,104)	2,166,104						0
- Option premium						(6,300)		(6,300)
								0
Accumulated losses	22,018,809	(2,141,104)						19,877,705
TOTAL EQUITY	(520,000)	25,000	(3,840,000)	(960,000)	(17,747,200)	(5,922)	492,344	(22,555,778)

Notes:

Presidio performance rights have not been valued at this stage. This will be done on completion

The broker fees are recorded at an expense of the Offer

Acquisition and Prospectus fees estimated at 2.5% of the capital raising

New Horizon Coal Ltd
Proforma balance sheet

30-Sep-16

A\$/US\$

0.73

MAXIMUM CAPITAL RAISING

	NHO 30-Sep-16	NHO equity adjustments	Trinity	Presidio	Capital raising	Option placement	Prospectus, deal and Broker fees	Total Proforma
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current assets								
Cash and cash equivalents	544,000							544,000
- Capital raising					18,880,000	6,300		18,886,300
- Trinity US\$990,000			(1,356,164)					(1,356,164)
- Presidio US\$460,000				(630,137)				(630,137)
- Prospectus and capital raising costs					(1,132,800)	(378)	(492,344)	(1,625,522)
Total current assets	544,000	0	(1,356,164)	(630,137)	17,747,200	5,922	(492,344)	15,818,477
Non current assets								
Oil and gas project acquisition								
- Trinity-192,000,000 shares			3,840,000					3,840,000
- Trinity US\$990,000			1,356,164					1,356,164
- Presidio-48,000,000 shares				960,000				960,000
- Presidio US\$460,000				630,137				630,137
Total non current assets	0	0	5,196,164	1,590,137	0	0	0	6,786,301
Total assets	544,000	0	3,840,000	960,000	17,747,200	5,922	(492,344)	22,604,778
LIABILITIES								
Current liabilities								
Trade and other payables	-24,000	(25,000)						(49,000)
Total current liabilities	-24,000	(25,000)	0	0	0	0	0	(49,000)
Total liabilities	-24,000	(25,000)	0	0	0	0	0	(49,000)
NET ASSETS	520,000	(25,000)	3,840,000	960,000	17,747,200	5,922	(492,344)	22,555,778
EQUITY								
Contributed equity	-20,372,705							-20,372,705
- Capital raising					-18,880,000			-18,880,000
- Trinity-192,000,000 shares			-3,840,000					-3,840,000
- Presidio-48,000,000 shares				-960,000				-960,000
- Prospectus and capital raising costs					1,132,800	378	492,344	1,625,522
Reserves	-2,166,104	2,166,104						0
- Option premium						-6,300		-6,300
Accumulated losses	22,018,809	-2,141,104						19,877,705
TOTAL EQUITY	-520,000	25,000	-3,840,000	-960,000	-17,747,200	-5,922	492,344	-22,555,778

Notes:

Presidio performance rights have not been valued at this stage. This will be done on completion

The broker fees are recorded at an expense of the Offer

Acquisition and Prospectus fees estimated at 2.5% of the capital raising

(d) **Notes to the Proforma adjustments**

The following Proforma adjustments to the Historical Financial Information have been made in the compilation of the Proforma Financial Information, including the adjustments to reflect the impact of acquisition accounting and certain transactions and/or events post 30 September 2016.

Note 1: NHO equity adjustments represents the cancellation of options post 30 September 2016 and initial transactions costs.

Note 2: The Trinity and Presidio adjustments relate to the settlement of the proposed Acquisitions. 240,000,000 Performance Rights are to be issued as part of the transaction. These have but not been included in the Proforma as the expense will be incurred in subsequent periods.

Note 3: The Proforma Financial Information details two scenarios:

(a) that eligible Shareholders subscribe for the minimum amount under the Rights Issue. This adjustment reflects the net impact of a proposed \$12 million capital raising less transaction costs.

(b) that eligible Shareholders subscribe for the maximum amount under the Rights Issue. This adjustment reflects the net impact of a proposed \$18.88 million capital raising less transaction costs.

Note 4: The Proforma Financial Information includes the issue of Shares to CPS Capital (and/or their nominee/s) (**Advisor**) as part of the cost of the Offers. The Options to be issued to the Advisor have not been valued but would be an additional expense of the Offers.

Note 5: The Proforma does not include continued working capital for the period from 1 October 2016 to settlement being general working capital.