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This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person.

Dear Shareholder

PRO-RATA RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE OVERSEAS SHAREHOLDERS

As you may be aware, Eon NRG Ltd (ASX: E2E) (“**Eon**”) is currently undertaking a pro-rata renounceable entitlement offer (“**Entitlement Offer**”) under a transaction specific prospectus for an offer to acquire continuously quoted securities that has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (“**Prospectus**”).

The Entitlement Offer is being undertaken on the basis of a pro-rata renounceable entitlement offer (“Entitlement Offer”) of new Eon ordinary shares (“New Shares”) on the basis of 1 New Share for every share held as at 7.00pm (AEDT) on 11 February 2019 (“Record Date”) to raise up to approximately A\$2.8 million (before costs). Applicants will receive 1 attaching option (“New Option”) for every New Share issued. New Shares will be issued at \$0.007 per New Share and applicants may apply for New Shares (each with one attaching New Option) in excess of their entitlement.

Eon expects that the Entitlement Offer will close on 28 February 2019. Details of the Entitlement Offer were released to the Australian Securities Exchange (**ASX**) on 6 February 2019.

Proceeds of the Entitlement Offer (net of costs) will be used for working capital including the permitting and drilling in the Powder River Basin Project which Eon acquired in 2018.

The Entitlement Offer is being extended only to investors who meet all of the following criteria (**Eligible Shareholders**):

- they are registered as a holder of shares at 7.00pm (AEDT) on the record date of 11 February 2019; and
- they have a registered address in Australia or New Zealand.

As the entitlements are renounceable, they can be traded. Any investor who purchases the entitlement of an Eligible Shareholder (during the entitlement trading period) who has a registered address in Australia and New Zealand, who is not in the United States or a US Person or acting for the account or benefit of such persons and who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer, will also be entitled to participate in the Entitlement Offer.

The restrictions upon eligibility are because of legal limitations in some countries, the relatively small number of shareholders in those countries, the relatively small number of Shares those shareholders hold and the potential cost of complying with regulatory requirements in those countries. Eon has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that

it would be unreasonable to make offers to shareholders with registered addresses in countries other than Australia and New Zealand.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and as have a registered address outside of Australia and New Zealand, this letter advises you that Eon will not be extending the Entitlement Offer to you. You are not required to do anything in response to this letter. However, see further information below regarding the sale of entitlements that would otherwise have been offered to you.

As the Entitlement Offer is renounceable, in accordance with ASX Listing Rule 7.7 the Company has appointed CPS Capital Group Pty Ltd (**CPS Capital**) as nominee to sell the entitlements to New Shares that would otherwise have been available for subscription by ineligible shareholders (**Entitlements**). CPS Capital will have the absolute and sole discretion to determine the timing and price at which the Entitlements will be sold and the manner of any such sale.

The proceeds of the sale of Entitlements will firstly be applied against expenses of such sale, including brokerage.

The balance of the proceeds will then be forwarded (as soon as practicable) to the ineligible shareholders, in proportion to their share of such Entitlements. If the net proceeds of sale are less than the reasonable costs that would be incurred by the Company in distributing those proceeds, such proceeds may be retained by the Company.

You may receive no net proceeds if the costs of sale are greater than the sale proceeds. In this regard, CPS Capital will not be required to sell Entitlements at a particular price.

Neither the Company nor CPS Capital will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of CPS Capital, there is no viable market for Entitlements, or a surplus over the likely expenses of sale cannot be obtained, then those Entitlements will be allowed to lapse.

If you have any questions in relation to any of the above matters or this letter, please seek professional advice or contact me.

Signed for and on behalf of Eon.

SIMON ADAMS
Company Secretary

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. Neither the Entitlements (or any other entitlements) nor the New Shares have been or will be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Note: The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation and needs.