

1 May 2017



ADX Energy Ltd

Dear Option holder

Via Email

AUSTRALIA

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## NON-RENOUNCEABLE ENTITLEMENT ISSUE

On 1 May 2017, ADX Energy Ltd (**ADX** or the **Company**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of ADX (**New Shares**) via a non-renounceable entitlement issue on the basis of one (1) New Share for every five (5) shares held by shareholders registered at 5.00 pm (AWST) on 10 May 2017 (**Record Date**) at an issue price of \$0.013 per New Share to raise approximately \$2.4 million (**Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 1 May 2017.

The lead manager to the offer is QA Capital Pty Limited. For information relating to the fee payable to the lead manager please refer to the Company's Prospectus relating to the Offer.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. Assuming all entitlements are accepted, following completion of the Offer, the Company will have issued approximately 185,803,488 New Shares resulting in total fully paid ordinary shares on issue of approximately 1,114,820,924.

## Use of Funds

The funds raised are intended to be used to fund exploration and appraisal expenditure at the Company's Nilde, Dougga and Parta projects and the Company's working capital.

**As an option holder in the Company, you are not entitled to participate in the Offer. However, should you exercise your options prior to the Record Date, the shares issued as a result of the exercise will be eligible to participate in the Offer.**

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for Shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on 10 May 2017, the Record Date.

The last closing market sale price of ADX's Shares on ASX on the last day of trading prior to the date of this letter was \$0.015.

Please note that it is not compulsory to exercise your options. If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

Only vested options and options not subject to escrow provisions may be exercised.

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company):

- (a) a notice of exercise of options (attached to this letter);
- (b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to “ADX Energy Limited”.

To ensure that your new shares are issued prior to the Record Date, the above must be received by the Company no later than 9 May 2017. If received after this date, issue of Shares prior to the Record Date cannot be assured.

The Offer is being made to all shareholders who:

- 1. are registered as a holder of fully paid ordinary shares in ADX as at 5.00 pm (Perth time) on the Record Date;
- 2. have a registered address in Australia, New Zealand or the British Virgin Islands;
- 3. are not in the United States or acting for the account or benefit of a person in the United States; and
- 4. are eligible under all applicable securities laws to receive the Offer without any requirement for a prospectus or disclosure document (as defined in the Corporations Act 2001 (Cth) (Corporations Act)) to be lodged or registered,

**(Eligible Shareholders).**

For the purposes of calculating the entitlements of Eligible Shareholders, fractions of entitlement will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

As required under the ASX Listing Rules, the Company informs you that no Shareholder approval is required for the Offer and, therefore, no Shareholder approval will be sought.

#### **Key dates for Eligible Shareholders**

Lodgement of Prospectus with the ASIC	1 May 2017
Lodgement of Prospectus & Appendix 3B with ASX	1 May 2017
Notice sent to Optionholders	1 May 2017
Notice sent to Shareholders	3 May 2017
Ex date	9 May 2017
Record Date for determining Entitlements	10 May 2017

Prospectus despatched to Shareholders & Company announces despatch has been completed	12 May 2017
Closing Date*	23 May 2017
Securities quoted on a deferred settlement basis	24 May 2017
ASX notified of under subscriptions	26 May 2017
Despatch of holding statements	30 May 2017
Quotation of Securities issued under the Offer*	31 May 2017

\* These dates are indicative only and are subject to change. ADX reserves the right to vary these dates, including extending the closing date of the Offer or accepting late applications, without prior notice but subject to the Corporations Act, ASX Listing Rules and other applicable laws.

ADX also reserves the right to withdraw the Offer at any time, in which case application monies (being the amount paid for New Shares applied for on a duly completed application form) will be refunded in accordance with the Corporations Act. No interest will be paid on any application monies received or refunded.

#### Further details

A copy of the Prospectus has been lodged with ASX and may be viewed on the ASX website at [www.asx.com.au](http://www.asx.com.au), or alternatively at the Company's website at [www.adxenergy.com.au](http://www.adxenergy.com.au).

For further information on the Offer you should contact ADX's Company Secretary on +61 8 9381 4266 or consult your professional adviser.

Yours Sincerely



Amanda Sparks  
Company Secretary

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## NOTICE OF EXERCISE OF OPTIONS

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To: The Directors  
ADX Energy Ltd

I/ We \_\_\_\_\_ of

being registered holder(s) of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise \_\_\_\_\_ of the abovementioned options. I/We enclose my/our cheque\* for \$\_\_\_\_\_ in payment of the option exercise price due in respect of those options calculated on the basis of \$0.02 per option.

I/ We authorise and direct the Company to register me/us as the holder(s) of the shares to be issued to me/us and I/we agree to accept such shares subject to the provisions of the Constitution of the Company.

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Signature of Holder(s)

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the Corporations Act 2001 (Cth) and if signing for a company as a sole director/secretary - ensure "sole director" and "sole secretary" is written beside the signature.
3. \*Cheques should be made payable to ADX Energy Ltd. Alternatively, contact ADX for details of bank account for direct deposit.