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Dear Shareholder

INFORMATION FOR SHAREHOLDERS – PRO-RATA RENOUNCEABLE ENTITLEMENT OFFER

Eon NRG Limited (ASX: E2E) ("**Eon**") today announced 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.

Only Eon shareholders with registered addresses in Australia and New Zealand on the Record Date are eligible to participate in the Entitlement Offer ("**Eligible Shareholders**"). As the Entitlement Offer is renounceable, investors who purchase an entitlement from an Eligible Shareholder (during the entitlement trading period) may also exercise entitlements pr.

Eligible Shareholders (other than directors and related parties of Eon) may, in addition to taking up their entitlement, apply for additional New Shares and free attaching New Options in excess of their entitlement under the 'Top-Up Facility' offered under the Entitlement Offer.

The Entitlement Offer is being made under a prospectus for an offer to be issued continuously quoted securities (or options over them) that has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Prospectus**). If you have a registered address in Australia or New Zealand, you will receive a copy of the Prospectus and a personalised Entitlement and Acceptance Form.

The Prospectus is expected to be despatched on 14 February 2019 to Eligible Shareholders. A copy of the Prospectus has been lodged with the Australian Securities and Investments Commission, and released to the Australian Securities Exchange (**ASX**) today. A copy of the Prospectus is available on the ASX website (www.asx.com.au) and Eon's website (www.eonnrg.com).

Pursuant to the listing rules of ASX (**Listing Rules**), Eon is required to provide you with certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. New Shares issued pursuant to the Entitlement Offer will be fully paid ordinary shares in the capital of Eon. The New Options will be options to be issued fully paid ordinary shares in the capital of Eon.
2. A maximum of 406,389,160 New Shares and 406,389,160 New Options will be issued pursuant to the Entitlement Offer (based on the number of shares on issue as at the Record Date, being 406,389,160 shares, and subject to rounding).
3. New Shares issued pursuant to the Entitlement Offer will rank equally in all respects from the date of issue with existing shares. Each share issued on exercise of a New

Option will rank equally in all respects from the date of issue with other ordinary shares on issue.

4. The issue price of New Shares issued pursuant to the Entitlement Offer will be \$0.007 (0.7 cents) per New Share. The New Options are attaching options on the basis of 1 New Option for every New Share issued. Each New Option issued will have an exercise price of \$0.015 per New Option and an expiry date of 22 February 2021 and will otherwise be issued on the terms set out in the Prospectus.
5. Eon will apply for quotation of both the New Shares and New Options issued pursuant to the Entitlement Offer on the official list of the ASX.
6. Funds raised through this offer will be used for working capital including the permitting and drilling in the Powder River Basin Project which Eon acquired in 2018.
7. New Shares and New Options issued pursuant to the Entitlement Offer will be issued on 6 March 2019.
8. The total number and class of all securities quoted on ASX (including the maximum number of New Shares and New Options to be issued under the Entitlement Offer), subject to rounding and assuming no existing options are exercised before the Record Date is as follows:

Class	Number
Existing shares as at date of Prospectus	406,389,160
New Shares issued under Entitlement Offer	406,389,160
TOTAL	812,778,320

Class	Number
Quoted options as at date of Prospectus	204,194,580
New Options issued under Entitlement Offer	406,389,160
TOTAL	610,583,740

9. There are no securities of Eon that are not quoted on ASX:
10. All New Shares issued pursuant to the Entitlement Offer will have the same dividend entitlements as existing shares (to the extent any dividends are declared). The New Options do not carry any dividend rights until they are exercised and shares are issued.
11. No shareholder approval for the Entitlement Offer is required. The New Shares and New Options will be issued pursuant to an exception in ASX Listing Rule 7.2 for pro-rata offers. Eon has not sought approval to issue equity securities under ASX Listing Rule 7.1A.
12. The Entitlement Offer is renounceable. This means that Eligible Shareholders may sell all or part of their entitlement (on ASX or otherwise) if they choose to.
13. Eligible Shareholders who wish to:
 - a. Sell all of their entitlement on ASX should instruct their stockbroker and provide details as requested on the Entitlement and Acceptance Form.
 - b. Sell part of their entitlement on ASX and take up the remaining part and/or wish to allow a remaining part to lapse should:
 - i. in respect of the entitlement to be sold, instruct their stockbroker and provide details as requested on the Entitlement and Acceptance Form; and
 - ii. in respect of the part of their entitlement they wish to take up, complete and return their Entitlement and Acceptance Form with the requisite application monies or pay the requisite application monies by BPAY® by

following the instructions set out in their Entitlement and Acceptance Form.

- c. Sell their entitlement other than on ASX must send a completed Renunciation and Transfer Form (available from Eon's registry) to Eon's registry by 7.00pm (AEDT) on 28 February 2019 together with application monies payable (from the buyer) and the Entitlement and Acceptance Form (in respect of the New Shares being applied for by the buyer). A Renunciation and Transfer Form may only be used for issuer sponsored holdings and Eon's registry will not process any transfers involving broker sponsored/CHESS sponsored holdings.
 14. Trading of entitlements on ASX will commence on 8 February 2019 and end on 21 February 2019.
 15. New Shares offered under the Entitlement Offer will be offered on the basis of 1 New Share for every share held by the Eon shareholder at 7.00pm (AEDT) on Monday, 11 February 2019.
 16. The offer under the Entitlement Offer relates to New Shares and free attaching New Options.
 17. The Record Date to determine entitlements is 7.00pm (AEDT) on 11 February 2019.
 18. Where fractions arise in the calculation of entitlements, the number of New Shares and New Options will be rounded down to the nearest whole number.
 19. Only Eligible Offerees will be eligible to participate in the Entitlement Offer. In compliance with Listing Rule 7.7.1, Eon has decided that it is unreasonable to make the offer to shareholders with registered addresses outside Australia and New Zealand having regard to each of the following:
 - the number of shareholders registered outside of Australia and New Zealand;
 - the number and value of the shares that would have been offered to shareholders outside of Australia and New Zealand; and
 - the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.
- In accordance with Listing Rule 7.7, Eon has appointed CPS Capital Group Pty Ltd (**CPS Capital**) as nominee to sell the entitlements to which ineligible shareholders are entitled and remit net proceeds (if any) to them.
20. The closing date for receipt of acceptances and renunciations is 7.00pm (AEDT) on Thursday, 28 February (unless extended).
 21. The Entitlement Offer is partially underwritten by CPS Capital who will receive an underwriting fee of 5% of the amount that they have agreed to underwrite (\$1,200,000).
 22. CPS Capital has been appointed to act as lead manager to the Entitlement Offer. CPS Capital will receive a lead manager fee of \$60,000 (exclusive of GST), 1% of the total amount raised under the Entitlement Offer, and a placement fee of 5% (exclusive of GST) on any shortfall placed.
 23. The Prospectus and Entitlement and Acceptance Form will be despatched to Eligible Shareholders by no later than Thursday, 14 February.
 24. Existing option holders may participate in the Entitlement Offer upon exercise of their options (if they are entitled to exercise their options at this time). Eon sent a notice to option holders on 6 February 2019 to notify option holders of their right to participate in the Entitlement Offer upon exercise of their options.

25. It is anticipated that New Shares issued under the Entitlement Offer will commence trading on a normal (T+2) settlement basis on 7 March 2019.

The above information was provided to the ASX on 6 February 2019. Dates set out above may change (subject to the Corporations Act and Listing Rules).

Key Dates for Entitlement Offer (subject to change)

Announcement of Entitlement Offer	Wednesday, 6 February 2019
“Ex” date (shares now trade without right to participate in the Entitlement Offer) Entitlement trading to commence on a deferred settlement basis	Friday, 8 February 2018
Record Date for determining Entitlement to subscribe for New Shares and New Options	7.00pm (AEDT) on Monday 11 February 2019
Entitlement Offer opens	Friday, 15 February 2019
Entitlement trading ends	Thursday, 21 February 2019
New Shares and New Options quoted on a deferred settlement basis	Friday, 22 February 2019
Closing date for Entitlement Offer (Closing Date)	7.00pm (AEDT) on Thursday, 28 February 2019
Issue of New Shares and New Options and dispatch of confirmation of issue Deferred settlement trading of New Shares ends	Wednesday, 6 March 2019
Normal trading of New Shares on ASX	Thursday, 7 March 2019

The directors of EON reserve the right to extend the closing date for the Entitlement Offer (subject to the Listing Rules).

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Mr Simon Adams, Company Secretary on +61 8 6144 0590.

Signed for and on behalf of EON



SIMON ADAMS
Company Secretary