

# Entitlement Offer

## Information Booklet

**2 for 3 renounceable pro rata entitlement offer of New Shares at \$0.025 per New Share to raise up to \$4.25 million (before costs)**

**Black Mountain Energy Ltd**  
(ACN 652 281 868)

The Entitlement Offer closes at 5.00pm (AWST) on 9 March 2023\*

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### **IMPORTANT NOTICES:**

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. This document and the accompanying personalised Entitlement and Acceptance Form should be read in their entirety.

This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. This document does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any New Shares in the Company.

You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

\*The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

For distribution in the United States solely by the Company to Shareholders who are Institutional Accredited Investors.

## IMPORTANT NOTICES

This Information Booklet is dated 20 February 2023. Capitalised terms in this section have the meaning given to them in this Information Booklet. This Information Booklet has been issued by Black Mountain Energy Ltd (ACN 652 281 868) (**Company**).

The Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet should be read in its entirety before you decide to participate in the Entitlement Offer. This Information Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By paying for your New Shares through BPAY® or, if you are based in New Zealand or the United States and unable to pay using BPAY®, by direct transfer, in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

### No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and, subject to the restrictions in section 6.2, New Zealand and the United States.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information Booklet (including an electronic copy) outside Australia, is restricted by law. If you come into possession of the information in this Information Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

### Notice to investors in New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is renounceable in favour of members of the public.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all

the information that a product disclosure statement under New Zealand law is required to contain.

### Notice to investors in the United States

The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Entitlement Offer is being made in the United States only to a limited number of shareholders of the Company who are Institutional Accredited Investors. In order to participate in the Entitlement Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an Institutional Accredited Investor.

### Definitions and interpretation

Defined terms used in this Information Booklet are contained in section 7. Section 7 also includes the rules of interpretation of this Information Booklet.

### Taxation

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

### Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

### Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the laws of Western Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

### No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by the Company or any of its officers. Except as required by law, and only to the extent so required, none of the Company, its

related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Information Booklet.

### **Past performance**

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

### **Future performance and forward looking statements**

This Information Booklet contains certain statements that constitute "forward-looking statements". These statements can be identified by the use of terminology such as "will", "anticipate", "believe", "expect", "project", "continue", "assume", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" or comparable terminology. Indications of, and guidance on, future earnings, financial position, dividends and distributions and performance are also forward-looking statements, as are statements regarding the Company's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereafter, statements about the plans, objectives and strategies of the management of the group), statements about the industry and markets in which the Company operates, statements about the future performance of the Company's business and its financial condition, and forecasted economic indicators.

Such forward-looking statements are provided as a general guide only, should not be relied on as an indication or guarantee of future performance, and involve known and unknown risks (including, without limitation, the risks set out in the Company's Investor Presentation included in section 5, uncertainties and other factors, many of which are beyond the control of the Company, its officers, employees, agents and advisors, that may cause the Company's actual results and performance to be materially different from any future results or performance expressed or implied in such statements. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise.

There can be no assurance that actual outcomes will not differ materially from the forward-looking statements in this Information Booklet. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecasted and their differences may be material. Refer to the Company's Investor Presentation included in section 5 for a non-exhaustive summary of certain key risk factors.

Neither the Company or any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

To the maximum extent permitted by law, the Company and its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. The Company disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs

or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

### **Risks**

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment.

Investors should refer to the Company's Investor Presentation included in section 5 for a summary of general and specific risk factors that may affect the Company.

### **Trading New Shares**

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

## Corporate information

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### Directors and Management

<b>Name</b>	<b>Position</b>
Rhett Bennett	Executive Chairman
Marie Malaxos	Non-Executive Director
Peter Cramer	Non-Executive Director
Craig Costello	Non-Executive Director
Michael Laurent	Chief Operating Officer
Craig Gouws	Chief Financial Officer
Murphy Markham	Senior Advisor
Lee Marshall	Commercial Senior Advisor

### Company Secretary

Ben Donovan

### Registered and Principal Office

Black Mountain Energy Ltd  
Level 14, 225 St Georges Terrace  
Perth WA 6000

Phone: +61 8 9200 1685

Email: [admin@blackmountainenergy.com](mailto:admin@blackmountainenergy.com)

Website: [blackmountainenergy.com](http://blackmountainenergy.com)

**ASX Code:** BME

### Legal Adviser

Hamilton Locke  
Level 48, 152 158 St Georges Terrace  
Perth WA 6000

### Share Registry

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth WA 6000

Phone: 1300 288 664 (within Australia)  
+61 2 9698 5414 (international)

Email: [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au)

Website: [automicgroup.com.au](http://automicgroup.com.au)

### Lead Manager & Nominee

Foster Stockbroking Pty Limited  
Level 9, 275 George St  
Sydney NSW 2000

## Chairman's letter

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20 February 2023

Dear Shareholder

### Entitlement Offer

On behalf of the Directors, I am pleased to invite you as a valued Shareholder of Black Mountain Energy Ltd (**Company**) to participate in a 2 for 3 renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.025 per New Share (**Offer Price**) to raise up to approximately \$4.25 million (before costs) (**Entitlement Offer**).

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 2 New Shares for every 3 existing fully paid ordinary shares in the Company held as at 5.00pm on 23 February 2023. New Shares issued under the Entitlement Offer will rank equally with the existing shares on issue.

The Entitlement Offer provides Eligible Shareholders with the opportunity to maintain their percentage participation in the Company as it continues to advance its plans. Eligible Shareholders who take up their full Entitlement may also apply for New Shares in excess of their Entitlement under the Shortfall Offer (refer to sections 2.4 and 2.5 of this Information Booklet for details).

The Entitlement Offer is renounceable. Accordingly, Eligible Shareholders can:

- take up their Entitlement in full or in part;
- sell their Entitlement (in full or part) on the ASX;
- sell or transfer all or part of their Entitlement directly to another person; or
- do nothing, in which case your Entitlement will lapse and you will not receive any value for your Entitlement.

I encourage you to consider the Entitlement Offer carefully.

The Entitlement Offer is not underwritten.

### Substantial Shareholders and effect on control of the Company

Myself and BM Canning LLC are substantial Shareholders of the Company. Myself and BM Canning LLC have undertaken to apply for an aggregate of at least \$2.1 million of our Entitlements under the Entitlement Offer, representing 84 million New Shares.

As a result of the Entitlement Offer, myself and BM Canning LLC may increase our respective voting power in the Company from a starting point that is above 20% and below 90%. This increase will fall within the exception pursuant to item 10 of section 611 of the Corporations Act subject to approval by ASIC of the appointment of the Nominee for Ineligible Shareholders under section 615 of the Corporations Act.

To the best of the Company's knowledge, it is not expected that any other Shareholder will increase their relevant interest above 20% as a result of participating in the Entitlement Offer.

I encourage you to read section 3 of this Information Booklet which contains further information on the effect on control and consequences the Entitlement Offer may have on the Company.

### Other information

This Information Booklet contains important information, including:

- ASX announcements relating to the Entitlement Offer, including the Investor Presentation, released to the ASX on 20 February 2023, which provides information on the Company, the Entitlement Offer and key risks for you to consider;
- instructions on how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;

- information regarding the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is made available to Eligible Shareholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or if you are based in New Zealand or the United States, by direct transfer.

You should carefully read this Information Booklet in its entirety and consult your stockbroker, accountant or other professional financial adviser before making your investment decision. In particular, you should read and consider the Company's Investor Presentation included in section 5, which contains a summary of some of the key risks associated with an investment in the Company. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other suitably qualified professional financial adviser to evaluate whether or not to participate in the Entitlement Offer.

**The Entitlement Offer is scheduled to close at 5.00pm on 9 March 2023.**

If you decide to take this opportunity to increase your investment in the Company please ensure that, before 5.00pm on 9 March 2023, you have paid your Application Monies, via BPAY® pursuant to the instructions in the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is despatched to you, or if you are based in New Zealand or are an Institutional Accredited Investor in the United States and unable to pay using BPAY®, your Application Monies are sent by direct transfer and received in cleared funds by the Share Registry by 5.00pm on the Closing Date.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

For further information on the Entitlement Offer you may contact the Company on [admin@blackmountainenergy.com](mailto:admin@blackmountainenergy.com) during the Entitlement Offer period.

On behalf of the board of the Company, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Rhett Bennett  
**Chief Executive Officer and Executive Chairman**  
**Black Mountain Energy Ltd**

## Summary of the Entitlement Offer

Aspect	Details
Ratio	2 New Shares for every 3 Shares held on the Record Date
Offer Price	\$0.025 per New Share
Discount (as at 17 February 2023)	37.5% to last closing share price of \$0.04 39.6% to the 5 day VWAP of \$0.0414
Size	Up to 170,000,001 New Shares
Renounceability	The Entitlement Offer is renounceable
Gross proceeds	Up to \$4.25 million (before costs)
Major Shareholder commitments	Rhett Bennett and BM Canning LLC are substantial Shareholders of the Company and have undertaken to apply for an aggregate of at least \$2.1 million of their Entitlements under the Entitlement Offer, representing 84 million New Shares.

## Key dates

Event	Date
Announcement of the Entitlement Offer Information Booklet and cleansing notice lodged with ASX	20 February 2023
Ex date Rights quoted on a deferred settlement basis	22 February 2023
Record Date for eligibility under the Entitlement Offer (5.00pm)	23 February 2023
Information Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders Entitlement Offer opens	28 February 2023
Rights trading closes at close of trading	2 March 2023
New Shares quoted on a deferred settlement basis	3 March 2023
Last day to extend Entitlement Offer Closing Date	6 March 2023
Entitlement Offer closes (5.00pm)	9 March 2023
Results of Entitlement Offer announced Issue of New Shares under the Entitlement Offer	16 March 2023

**Notes:** The timetable above (and each reference to or to dates in this Information Booklet) is indicative only and may change. The Company reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date and to accept late Applications (either generally or in particular cases). Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of the New Shares is subject to confirmation from ASX.

The Company also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your Application. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.

## **Enquiries**

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other suitably qualified professional financial adviser before making any investment decision. For further information on the Entitlement Offer, if you have questions on how to complete the Entitlement and Acceptance Form, or have lost your Entitlement and Acceptance Form and would like a replacement form, you may contact the Company on [admin@blackmountainenergy.com](mailto:admin@blackmountainenergy.com) during the Entitlement Offer period.

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## 1. Summary of options available to you

If you are an Eligible Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement and if you do so, you may also apply for additional New Shares under the Shortfall Offer (see sections 2.4 and 2.5 for details);
- (b) take up part of your Entitlement and elect for the balance to be sold on ASX or transferred to another person or party;
- (c) sell your Entitlement on ASX or transfer your Entitlement to another person or party;  
or
- (d) do nothing, in which case your Entitlement will lapse and you will receive no value for the lapsed Entitlement.

If you are a Shareholder that is not an Eligible Shareholder, you are an '**Ineligible Shareholder**'. Ineligible Shareholders are not entitled to participate in the Entitlement Offer and should refer to section 6.3 for further information.

Options available to you	Key considerations	For further information
<b>Option One:</b> Take up all of your Entitlement	<p>You may elect to purchase New Shares at the Offer Price (see <i>section 4 "How to Apply"</i> for instructions on how to take up your Entitlement). The Entitlement Offer closes at 5.00pm on 9 March 2023.</p> <p>The New Shares will be fully paid and rank equally in all respects with existing Shares on issue (including rights to dividends and distributions).</p> <p>If you take up all of your Entitlement, you may also apply for additional New Shares under the Shortfall Offer. Details of the Shortfall Offer and the allocation policy are included in sections 2.4 and 2.5. There is no guarantee that you will be allocated any additional New Shares under the Shortfall Offer.</p>	See section 4.4
<b>Option Two:</b> Take up part of your Entitlement and elect for the balance to be sold on ASX or transferred to another person or party	<p>If you only take up part of your Entitlement, you may elect to sell the balance on ASX or transfer the balance to another person or party.</p> <p>In respect of the part of your Entitlement to be sold on ASX, you should instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Application Form.</p> <p>If you wish to transfer the balance to another person or party other</p>	See section 4.5

Options available to you	Key considerations	For further information
	<p>than on-market using ASX, you must complete a standard renunciation form (which you can obtain from your stockbroker) and have the transferee complete the Entitlement and Acceptance Form.</p> <p>You will not be entitled to apply for additional New Shares under the Shortfall Offer if you take up part of your Entitlement.</p> <p>If you do not take up your Entitlement in full the balance not taken up will lapse and you will not receive any payment or value for that part of your Entitlement not taken up.</p> <p>If you do not take up your Entitlement in full, you may have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>	
<p><b>Option Three:</b> Elect to sell all your Entitlement on ASX or elect to transfer all your Entitlement to another person or party</p>	<p>If you do not wish to take up your Entitlement (in full or in part), you may choose to either sell your Entitlement on ASX or transfer your Entitlement to another person or party.</p> <p>If you wish to sell your Entitlement on ASX, you should instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Acceptance Form.</p> <p>If you wish to transfer your Entitlement to another person or party other than on-market using ASX, you must complete a standard renunciation form (which you can obtain from your stock broker) and have the transferee complete the Entitlement and Acceptance Form.</p> <p>If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>	<p>See section 4.6</p>
<p><b>Option Four:</b> Do nothing, in which case your Entitlement will lapse, and you will</p>	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse and may be acquired by Eligible Shareholders</p>	<p>See section 4.7</p>

Options available to you	Key considerations	For further information
<p>receive no value for your lapsed Entitlement</p>	<p>or other investors under the Shortfall Offer.</p> <p>If you do not take up your Entitlement you will not receive any payment or value for your Entitlement not taken up.</p> <p>If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>	

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## 2. Overview of the Entitlement Offer

### 2.1 The Entitlement Offer

- (a) The Company intends to raise up to approximately \$4.25 million (before costs) under the Entitlement Offer via an offer of approximately 170,000,001 New Shares at an Offer Price of \$0.025 per New Share. The Company intends to use the proceeds of the Entitlement Offer in accordance with the use of funds outlined in section 3.2.
- (b) New Shares issued under the Entitlement Offer will rank equally with the Company's existing Shares on issue.
- (c) The Entitlement Offer is not underwritten.

### 2.2 No underwriting

The Offer is not underwritten.

### 2.3 Major shareholder commitment

Rhett Bennett and BM Canning LLC are substantial Shareholders of the Company and have undertaken to apply for an aggregate of at least \$2.1 million of their Entitlements under the Entitlement Offer, representing 84 million New Shares.

### 2.4 The Shortfall Offer

- (a) The Directors reserve the right to issue the Shortfall Shares in accordance with the policy described in this section 2.4, and section 2.5 below.
- (b) The Lead Manager will act as broker and bookrunner with respect to the placement of the Shortfall Shares.
- (c) Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.
- (d) The Shortfall Offer is open to:
  - (i) Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer; and
  - (ii) investors invited by the Company,
- (e) Applications by Eligible Shareholders who wish to participate in the Shortfall Offer must be received by the Company by no later than the Closing Date.
- (f) The Shortfall Offer will remain open to investors invited by the Company for up to three months following the Closing Date.
- (g) The Shortfall Offer will be limited to the extent there are Shortfall Shares. The allocation of Shortfall Shares will be subject to the allocation policy described in section 2.5 below.

### 2.5 Allocation policy

- (a) The Shortfall Shares are to be allocated in the following priority:
  - (i) **Eligible Shareholders:** Firstly, each Eligible Shareholder who has validly applied for their full Entitlement and has also validly applied for Shortfall Shares in excess of their Entitlement before the Closing Date. Where the Applications for Shortfall Shares in accordance with this section exceeds the number of Shortfall Shares available, the Applicants will be allocated Shortfall Shares in proportion to their Shareholding as at the Record Date.

- (ii) **Other investors:** If there are Shortfall Shares remaining after the allocation to Eligible Shareholders described in section 2.5(a)(i), the Directors reserve the right for up to three months after the Closing Date to place any remaining Shortfall Shares at the Board's discretion. It will be in the Board's discretion whether to allocate any such remaining Shortfall Shares to Eligible Shareholders and to other eligible investors.
- (b) Notwithstanding any of the above:
  - (i) Shortfall Shares will not be issued to an Eligible Shareholder or other investor which would, if issued, result in:
    - (A) the Eligible Shareholder or other investor increasing their voting power in the Company above 20%; or
    - (B) a contravention of any law or ASX Listing Rule;
  - (ii) there is no guarantee that Eligible Shareholders will receive the number of Shortfall Shares applied for. The Company's decision on the number of New Shares and Shortfall Shares to be allocated to an Applicant will be final;
  - (iii) in the event of a scale back, the difference between the Application Monies received, and the number of New Shares and Shortfall Shares allocated to the Applicant multiplied by the Offer Price, will be refunded by the Company, without interest, following allotment; and
  - (iv) the Substantial Shareholders are not eligible to participate in the Shortfall Offer.
- (c) The Shortfall Shares will have an issue price equal to the Offer Price.

## 2.6 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares on issue. The rights attaching to the New Shares are set out in the Company's constitution and are regulated by the Corporations Act, Listing Rules and general law.

### 3. Effect of the Entitlement Offer

#### 3.1 Capital structure

##### (a) Share capital

The proposed capital structure of the Company following the issue of the New Shares in connection with the Entitlement Offer will be as follows:

	Number
Shares on issue as at the date of this Information Booklet	255,000,001
New Shares to be issued under the Entitlement Offer (assuming the Entitlement Offer is fully subscribed)	170,000,001
<b>TOTAL</b>	<b>425,000,002</b>

The final number of New Shares to be issued under the Entitlement Offer is subject to rounding and reconciliation.

##### (b) Other securities

As at the date of this Information Booklet, the Company has on issue:

Security	Number
Options <sup>(1)</sup>	17,977,205
Performance Rights <sup>(2)</sup>	6,984,337

**Notes:**

1. Comprising: (i) 3,750,000 unquoted Options with an exercise price of \$0.30 each and expiring 15 June 2025; and (ii) 14,227,205 unquoted Options with an exercise price of \$0.286 each and expiring 23 December 2025.
2. Comprising Performance Rights issued to key executives subject to vesting milestones.

#### 3.2 Use of proceeds

The Company intends to apply the funds raised from the Entitlement Offer in accordance with the table below:

Use of funds	Allocation of funds	Percentage use of funds
Acquisition of the Half Moon Prospect interest <sup>1</sup>	\$2,950,000	69.41%
Working capital <sup>2</sup>	\$1,070,000	25.18%
Costs of the Offer	\$230,000	5.41%
<b>TOTAL</b>	<b>\$4,250,000</b>	<b>100.00%</b>

**Notes:**

1. Refer to the Company's ASX announcements dated 17 February 2023 and 25 January 2023 and the Investor Presentation included in section 5 for additional information.
2. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion.

- (a) The above table assumes that the Entitlement Offer is fully subscribed. In the event that the Entitlement Offer is not fully subscribed, the amount allocated towards working capital will be reduced accordingly.

- (b) The above table is a statement of current intentions as at the date of this Information Booklet. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors disclosed in the Company's Investor Presentation included in section 5), and actual expenditure levels, may differ significantly from the above estimates.
- (c) Although the Company's immediate focus will be on its existing projects, the Company may pursue and assess other new business opportunities over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of permits, and/or direct equity participation.
- (d) The use of further equity or debt funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy. The Company will require further financing in the future.

### 3.3 Director interests

The relevant interest of each of the Directors in Shares as at the date of this Information Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Director	Existing Shares		Entitlement <sup>(1)</sup>
	Number of Shares	Voting power <sup>(1)</sup>	
Craig Costello	Nil	Nil	Nil
Rhett Bennett <sup>(2)</sup>	202,930,379	79.58%	135,286,919
Marie Malaxos	70,000	0.03%	46,666
Peter Cramer	Nil	Nil	Nil

**Notes:**

- Assumes 255,000,001 Shares on issue as at the date of this Information Booklet and that no other Shares are issued or existing convertible securities exercised or converted into Shares prior to the Record Date.
- Rhett Bennett has a relevant interest in: (i) 2,930,379 Shares registered in his own name; (ii) 199,968,253 Shares registered in the name of BM Canning LLC; and (iii) 31,747 Shares registered in the name of Black Mountain Land Company LP. Accordingly, for the purposes of section 608 of the Corporations Act, Mr Bennett: (i) has the power to exercise, or control the exercise of, a right to vote attached to the aforementioned Shares; (ii) has the power to dispose of, or control the exercise of a power to dispose of, the aforementioned Shares; and (iii) controls BM Canning LLC and Black Mountain Land Company LP as he has the capacity to determine the outcome of decisions about the entities financial and operating policies.

As at the date of this Information Booklet, Rhett Bennett and Marie Malaxos have indicated that they each intend to take up their Entitlements in full.

### 3.4 Substantial Shareholders

The relevant interest of each of the substantial Shareholders in Shares as at the date of this Information Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Substantial Shareholder	Shares	Voting power <sup>(2)</sup>	Entitlement <sup>(2)</sup>
BM Canning LLC	199,968,253	78.42%	133,312,169
Rhett Bennett <sup>(3)</sup>	202,930,379	79.58%	135,286,919

**Notes:**

1. *The shareholdings listed above are as disclosed to the Company by shareholders in substantial holding notices. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above*
2. *Assumes 255,000,001 Shares on issue as at the date of this Information Booklet and that no other Shares are issued or existing convertible securities exercised or converted into Shares prior to the Record Date.*
3. *Rhett Bennett has a relevant interest in: (i) 2,930,379 Shares registered in his own name; (ii) 199,968,253 Shares registered in the name of BM Canning LLC; and (iii) 31,747 Shares registered in the name of Black Mountain Land Company LP. Accordingly, for the purposes of section 608 of the Corporations Act, Mr Bennett: (i) has the power to exercise, or control the exercise of, a right to vote attached to the aforementioned Shares; (ii) has the power to dispose of, or control the exercise of a power to dispose of, the aforementioned Shares; and (iii) controls BM Canning LLC and Black Mountain Land Company LP as he has the capacity to determine the outcome of decisions about the entities financial and operating policies.*

As at the date of this Information Booklet, each of the Substantial Shareholders:

- (a) will be an Eligible Shareholder and are otherwise eligible to participate in the Entitlement Offer; and
- (b) has advised the Company that they intend to take up their full Entitlement under the Entitlement Offer.

### 3.5 Control issues and consequences of the Entitlement Offer

- (a) The maximum number of New Shares to be issued under the Entitlement Offer is 170,000,001 (subject to rounding) which will constitute approximately 40% of the Shares on issue following completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed and no other Shares are issued or convertible securities exercised or converted prior to the Record Date).
- (b) As a result of the Entitlement Offer, the Company's existing substantial Shareholders may increase their respective voting power in the Company from a starting point that is above 20% and below 90%.
- (c) Eligible Shareholders who do not take up their Entitlement in full may be diluted relative to those Eligible Shareholders who apply for some or all of their Entitlement. The extent of dilution will depend on the extent to which Eligible Shareholders take up their Entitlement.
- (d) The proportional interests of Ineligible Shareholders will also be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.
- (e) The following table illustrates each of the substantial Shareholders' maximum potential relevant interest and voting power in the Company under several scenarios where the Entitlement Offer is:
  - (i) fully subscribed by other Eligible Shareholders;
  - (ii) 75% subscribed by other Eligible Shareholders;
  - (iii) 50% subscribed by other Eligible Shareholders; and
  - (iv) in the unlikely event that no other Eligible Shareholders take up their Entitlement under the Entitlement Offer.

Participation by other Eligible Shareholders	Voting power of Substantial Shareholders	
	BM Canning LLC	Rhett Bennett
100%	78.42%	79.58%
75%	80.15%	81.25%

50%	81.96%	82.99%
0%	85.83%	86.70%

- (f) As illustrated above, the substantial Shareholders may increase their respective voting power in the Company from a starting point that is above 20% and below 90% as a result of the Entitlement Offer. This increase will fall within the exception pursuant to Item 10 of section 611 of the Corporations Act subject to approval by ASIC of the appointment of the Nominee under section 615 of the Corporations Act.
- (g) In the event where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that there is a large number of Shortfall Shares, the Company intends to mitigate the potential effects on control by ensuring that its allocation policy under the Shortfall Offer facilitates the allotment of Shortfall Shares to a spread of investors (see sections 2.4 and 2.5 for further information). The potential control effects have also been mitigated through the Entitlement Offer being structured as a renounceable offer.

### 3.6 Section 615 of the Corporations Act and appointment of Nominee

- (a) As noted above, two of the Company's existing substantial Shareholders may increase their respective voting power in the Company from a starting point that is above 20% and below 90% as a result of the Entitlement Offer.
- (b) To comply with Item 10 of section 611 of the Corporations Act, the Company is required to appoint a nominee in accordance with the requirements of section 615(a) of the Corporations Act. The Company is also required to appoint a nominee for the purposes of ASX Listing Rule 7.7.1(c) as the Entitlement Offer is renounceable.
- (c) Subject to ASIC approval, the Company proposes to appoint Foster Stockbroking Pty Limited (ACN 088 747 148) (AFSL 223 687) as nominee for the purposes of section 615 of the Corporations Act (**Nominee**). In accordance with section 615(b)-(c) of the Corporations Act and consistent with *ASIC Regulatory Guide 6: Takeovers: Exceptions to the general prohibition*:
- (i) the Company will issue to the Nominee the Entitlements that would otherwise be issued to the Ineligible Shareholders (**Excluded Rights**); and
- (ii) the Nominee will sell those Excluded Rights and distribute to each of those Ineligible Shareholders their proportion of the net proceeds of the sale (after expenses).
- (d) The Nominee will offer to sell the Excluded Rights in such manner and at such time as it sees fit, provided it must do so with the objective of achieving the best price for the Excluded Rights that is reasonably obtainable on market at the time of the relevant sale bearing in mind:
- (i) the total number of Excluded Rights;
- (ii) prevailing market conditions at the time of the relevant sale (including the prevailing price of the Company's Shares on the ASX);
- (iii) the period over which the sale process is completed; and
- (iv) the desire to achieve a liquid and orderly market in the Company's securities.
- (e) There is no assurance that the Nominee will be able to sell the Excluded Rights at a price that will result in the Ineligible Shareholders receiving any net proceeds for their Entitlements such that Ineligible Shareholders may receive no value for their Entitlements.

- (f) For further details regarding the treatment of Ineligible Shareholders, refer to section 6.3.

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## 4. How to apply

### 4.1 Entitlement Offer

- (a) The Entitlement Offer constitutes an offer to Eligible Shareholders to apply for 2 New Shares for every 3 Shares held on the Record Date. Please refer to sections 6.1 and 6.2 regarding your eligibility to participate in the Entitlement Offer.
- (b) The Entitlement Offer opens on 28 February 2023 and the Information Booklet will be made available by that date, along with a personalised Entitlement and Acceptance Form, to Eligible Shareholders. The Entitlement Offer is expected to close at 5.00pm on 9 March 2023.
- (c) The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.
- (d) As a result, the Entitlement Offer is not being made under a prospectus and it is important for Eligible Shareholders to read and understand the information on the Company and the Entitlement Offer made publicly available by the Company, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 5, the Company's interim and annual reports, other announcements made available at [www.asx.com.au](http://www.asx.com.au) and all other parts of this Information Booklet carefully before making any decisions in relation to your Entitlement.

### 4.2 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 2 New Shares for every 3 Shares held on the Record Date with fractional entitlements rounded down to the nearest whole number of New Shares) will accompany this Information Booklet when it is despatched to Eligible Shareholders. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. A copy of your personalised Entitlement and Acceptance Form can be accessed at <https://investor.automic.com.au/#/home>.

### 4.3 Options available to you

- (a) The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this Information Booklet when it is despatched to you. Eligible Shareholders may:
  - (i) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Shortfall Offer (refer to section 4.4 for further information);
  - (ii) take up part of their Entitlement and elect for the balance to be sold on ASX or transferred to another person or party, in which case the Eligible Shareholder will receive no value for the balance of their Entitlement not taken up (refer to section 4.5 for further information);
  - (iii) sell their full Entitlement on ASX or transfer their full Entitlement to another person or party (refer to section 4.6 for further information); or
  - (iv) do nothing and allow their Entitlement to lapse (refer to section 4.7 for further information).

- (b) The Entitlement Offer is an offer to Eligible Shareholders only. Ineligible Shareholders may not take up any of their Entitlements. Ineligible Shareholders should refer to section 6.3.
- (c) The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.
- (d) The expected Closing Date for acceptance of the Entitlement Offer is **5.00pm on 9 March 2023**.

#### **4.4 Taking up all of your Entitlement or taking up all of your Entitlement and applying for Shortfall Shares**

- (a) If you wish to take up all of your Entitlement, payment must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Please read the instructions carefully. Payments can be by the methods set out in sections 4.10 and 4.11. If you are in the United States, you may also complete and return a US Investor Certificate that is available from the Company Secretary of the Company to confirm, amongst other things, that you are an Institutional Accredited Investor.
- (b) Payment must be received by no later than 5.00pm on the Closing Date. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Shortfall Offer. Amounts received by the Company in excess of the Offer Price, may be treated as an Application to apply for as many additional New Shares as your Application Monies will pay for in full.
- (c) In the event there is a shortfall under the Entitlement Offer, additional New Shares may be allotted under the Shortfall Offer in accordance with the terms and conditions in sections 2.4 and 2.5. If you apply for additional New Shares under the Shortfall Offer and if your Application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.
- (d) Any New Shares referable to Entitlements not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Shortfall Offer, and other investors invited by the Company to participate in the Shortfall Offer. There is no guarantee that such Shareholders or other investors will receive the number of New Shares applied for under the Shortfall Offer. New Shares referable to Entitlements not taken up by the Closing Date will only be allocated to participants in the Shortfall Offer in accordance with the terms and conditions in sections 2.4 and 2.5.
- (e) Refund amounts, if any, will be paid in Australian dollars. You will be paid by direct credit to the nominated bank account as noted on the share register as at the Closing Date. Refund amounts will be made by cheque if you do not have direct credit instructions noted on your shareholding. For refunds not processed by EFT, cheques will be mailed in the post to the relevant Eligible Shareholder.

#### **4.5 Taking up part of your Entitlement and electing for the balance to be sold on ASX or transferred to another person or party**

If you wish to take up only part of your Entitlement, payment must be made by following the instructions on the personalised Entitlement and Acceptance Form for the number of New Shares you wish to take up and making payment using the methods set out in sections 4.10 and 4.11 below. If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full. Payment must be received by no later than 5.00pm on the Closing Date.

If you wish for the balance of your Entitlement to be sold on ASX, you need to, in respect of the part of your Entitlement to be sold on ASX, instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Application Form.

If you wish to transfer the balance of your Entitlement to another person or party other than on-market using ASX, then you must do the following:

- (a) complete a standard renunciation form (which you can obtain from your stockbroker);
- (b) have the transferee complete the Entitlement and Acceptance Form;
- (c) have the transferee organise a cheque, bank draft or money order for the amount due in respect of the New Shares, payable to 'Black Mountain Energy Ltd' and crossed 'not negotiable'; and
- (d) arrange for each of the documents referred to above to be delivered so that they are received by no later than 5.00pm on the Closing Date.

#### **4.6 Sell of your full Entitlement on ASX or transfer your full Entitlement to another person or party**

If you wish to sell your full Entitlement on ASX, you need to instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Application Form.

If you wish to transfer your full Entitlement to another person or party other than on-market using ASX, then you must do the following:

- (a) complete a standard renunciation form (which you can obtain from your stockbroker);
- (b) have the transferee complete the Entitlement and Acceptance Form;
- (c) have the transferee organise a cheque, bank draft or money order for the amount due in respect of the New Shares, payable to 'Black Mountain Energy Ltd' and crossed 'not negotiable'; and
- (d) arrange for each of the documents referred to above to be delivered so that they are received by no later than 5.00pm on the Closing Date.

#### **4.7 Allowing your Entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

#### **4.8 Consequences of not accepting all or part of your Entitlement**

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Entitlement Offer (including New Shares that relate to the portion of your Entitlement that have not been accepted) may be acquired by Eligible Shareholders or other investors under the Shortfall Offer.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any payment or value for all or that part of your Entitlement. Your interest in the Company will also be diluted.

#### **4.9 Payment**

- (a) Payment should be made using BPAY®. If you are based in New Zealand or the United States and unable to pay using BPAY®, payments can be made by Electronic Funds Transfer (EFT) (see section 4.11).

- (b) In light of the substantial delays in postage times as a result of the COVID-19 virus, and the period the Entitlement Offer is open, it is considered unlikely that Entitlement and Acceptance Forms that are posted with a payment by cheque will be received by the Company in time for the Company to accept under the application. As a result, the Company has resolved that cash payments or payments by cheque will not be accepted. Receipts for payment will not be issued.
- (c) The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, the Company will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Shortfall Offer as it will pay for in full.
- (d) Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

#### **4.10 Payment by BPAY®**

- (a) For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with any Australian financial institution that supports BPAY® transactions.
- (b) If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.
- (c) If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.
- (d) Please note that by paying by BPAY®:
  - (i) you do not need to send your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties referred to on that Entitlement and Acceptance Form and in section 4.12;
  - (ii) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
  - (iii) if you pay more than is required to subscribe for your Entitlement, you will be deemed to have applied for additional New Shares under the Shortfall Offer, to the extent of the excess.
- (e) It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

#### **4.11 Payment by Electronic Funds Transfer (EFT)**

- (a) Eligible Shareholders with a registered address in New Zealand or the United States may not have access to pay by BPAY® and can make payment by EFT. Payment details for EFT can be accessed at <https://investor.automic.com.au/#/home>. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one

of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

- (b) Your EFT payment must be:
  - (i) for an amount equal to \$0.025 multiplied by the number of New Shares (and additional New Shares under the Shortfall Offer, if applicable) that you are applying for; and
  - (ii) in Australian currency. Payment cannot be made in New Zealand or United States dollars. New Zealand and United States resident shareholders must arrange for payment to be made in Australian dollars.
- (c) It is your responsibility to ensure that your payment by direct transfer is received by the Share Registry by no later than 5.00pm on the Closing Date. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly. The Company and the Share Registry accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.
- (d) Your Application payment may incur fees and charges from your bank or any intermediary bank as well as the receiving bank. You may have an option to choose that fees are not deducted from the amount transferred however the receiving bank may still deduct a fee for receiving a foreign transfer. If you are paying from a bank account that is not in Australian dollars you may also incur foreign exchange fees.

#### **4.12 Entitlement and Acceptance Form is binding**

- (a) A payment made through BPAY® or, if you are based in New Zealand or the United States, by EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.
- (b) By making a payment by BPAY® or, if you are based in New Zealand or the United States, by EFT, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:
  - (i) you are (or the person on whose account you are acting is) an Eligible Shareholder;
  - (ii) you acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
  - (iii) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Information Booklet (and accompanying Entitlement Acceptance Form), and the Company's constitution;
  - (iv) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
  - (v) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
  - (vi) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
  - (vii) you acknowledge that once the Company receives any payment of Application Monies via BPAY® or, if you are based in New Zealand or the United States, by direct transfer, you may not withdraw your Application or Application Monies provided except as allowed by law;

- (viii) you agree to apply for and be issued up to the number of New Shares (and any additional New Shares) for which you have submitted payment of any Application Monies via BPAY® or, if you are based in New Zealand or the United States, by direct transfer, at the Offer Price per New Share;
- (ix) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (x) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (xi) you acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (xii) you acknowledge that this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (xiii) you acknowledge the statement of risks in the Company's Investor Presentation included in section 5, and that investments in the Company are subject to risk;
- (xiv) you acknowledge that the Company, its related bodies corporate and affiliates and its directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the performance of the New Shares offered under the Entitlement Offer nor do they guarantee the repayment of capital;
- (xv) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (xvi) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (xvii) you acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and the Company, its related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (xviii) you represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (xix) you represent and warrant that if you are in the United States, you are an Institutional Accredited Investor and have completed and returned a US Investor Certificate to the Company; and

- (xx) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or, subject to the restrictions in section 6.2, New Zealand.

#### **4.13 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty should be payable for subscribing for New Shares under the Entitlement Offer or for additional New Shares under the Shortfall Offer on the basis that all of the shares in the Company are quoted on the ASX (i.e. no classes of unquoted shares on issue) and no person, either alone or together with associated or related persons or as part of substantially one transaction or arrangement with other persons, will hold an interest of 90% or more in the Company.

#### **4.14 Notice to nominees and custodians**

- (a) The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions, may participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.
- (b) Nominees and custodians should note in particular that the Entitlement Offer is not available to:
  - (i) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder; or
  - (ii) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
- (c) In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Entitlement Offer to, any person outside Australia or, subject to the restrictions in section 6.2, New Zealand.
- (d) The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. The Company is not able to advise on foreign laws.
- (e) For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.
- (f) The Company also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

#### **4.15 Withdrawal of the Entitlement Offer**

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

#### **4.16 Risks**

Eligible Shareholders should be aware that an investment in the Company, including taking up your Entitlement, involves risks. The key risks identified by the Company are summarised in the Company's Investor Presentation included in section 5, but these are not an exhaustive list of the risks associated with an investment in the Company.

#### **4.17 Further enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Company on [admin@blackmountainenergy.com](mailto:admin@blackmountainenergy.com) during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

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**5. ASX announcements and investor presentation**

20 February 2023

*Not for release to US wire services or distribution in the United States*

## BLACK MOUNTAIN ENERGY LAUNCHES PRO RATA RENOUNCEABLE ENTITLEMENT OFFER TO RAISE UP TO \$4.25 MILLION

### Key details

- 2 for 3 pro rata renounceable entitlement offer to raise up to approximately \$4.25 million (before costs).
- Offer price of \$0.025 per New Share represents a 37.5% discount to the last closing share price of \$0.04 (as at 17 February 2023) and a 39.6% discount to the 5 day VWAP of \$0.0414 (as at 17 February 2023).
- Proceeds of the capital raising to be applied towards acquisition costs of the Half Moon Prospect, commercialisation of the Valhalla Project, working capital and offer costs.

### Key details of the Entitlement Offer

Aspect	Details
Ratio	2 New Shares for every 3 Shares held on the Record Date
Offer Price	\$0.025 per New Share
Discount (as at 17 February 2023)	37.5% to last closing share price of \$0.04 39.6% to the 5 day VWAP of \$0.0414
Size	Up to 170,000,001 New Shares
Renounceability	The Entitlement Offer is renounceable
Gross proceeds	Up to \$4.25 million (before costs)
Major Shareholder commitments	Rhett Bennett and BM Canning LLC are substantial Shareholders of the Company and have undertaken to apply for an aggregate of at least \$2.1 million of their Entitlements under the Entitlement Offer, representing 84 million New Shares.

## Entitlement Offer

Black Mountain Energy Ltd (**Company**) is pleased to announce that it is offering eligible shareholders the opportunity to acquire new shares through a pro rata renounceable entitlement offer to raise up to approximately \$4.25 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will open on 28 February 2023 and is expected to close on 9 March 2023 (unless extended by the Company). Eligible shareholders with an address in Australia, New Zealand and certain other jurisdictions will be invited to participate in the Entitlement Offer and will be able to subscribe for 2 new fully paid ordinary shares (**New Shares**) for every 3 existing shares (**Shares**) in the Company held on the Record Date (**Entitlement**), being 5.00pm on 23 February 2023.

If you are an eligible shareholder, you can choose to:

- take up all of your Entitlement and if you do so, you may also apply for additional New Shares under the Shortfall Offer;
- take up part of your Entitlement and elect for the balance to be sold on ASX or transferred to another person or party;
- sell your Entitlement on ASX or transfer your Entitlement to another person or party; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for the lapsed Entitlement.

The Entitlement Offer is renounceable. Accordingly, if you do not wish to take up your Entitlement, you may sell all or part of your Entitlement on ASX between 22 February 2023 (on a deferred settlement basis) and 2 March 2023 (inclusive) through your broker or sell or transfer all or part of your Entitlement directly to another person.

Eligible shareholders wishing to participate in the Entitlement Offer should carefully read the Information Booklet and accompanying personalised entitlement and acceptance form.

Eligible shareholders wishing to participate should contact their suitably qualified stockbroker, solicitor, accountant or other professional adviser if they have any questions.

Foster Stockbroking Pty Limited will act as Sole Lead Manager to the Entitlement Offer and Sale Nominee for Ineligible Shareholders for the purposes of section 615 of the Corporations Act.

## Shortfall Offer

Eligible shareholders who subscribe for their Entitlement in full are eligible to apply for additional New Shares (**Additional New Shares**) that are not subscribed for under the Entitlement Offer (**Shortfall Offer**). The Additional New Shares will be offered at the issue price of \$0.025, being the same issue price for New Shares under the Entitlement Offer.

The Additional New Shares will only be issued to the extent there is sufficient shortfall, and applications will be subject to the allocation policy which is detailed in the Information Booklet. Additional New Shares will not be issued to an applicant if the issue would otherwise contravene the Listing Rules or any applicable law.

As permitted under ASX Listing Rule 7.2 exception 3, the Directors reserve the right at their discretion to place any shortfall remaining after the close of the Entitlement Offer. The allocation of any such shortfall will be on the same terms and conditions as the Entitlement Offer and will remain open for up to 3 months after the closing date of the Entitlement Offer.

## Indicative timetable

Activity	Date
Announcement of the Entitlement Offer Information Booklet and cleansing notice lodged with ASX	20 February 2023
Ex date Rights quoted on a deferred settlement basis	22 February 2023
Record Date for eligibility under the Entitlement Offer (5.00pm)	23 February 2023
Information Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders Entitlement Offer opens	28 February 2023
Rights trading closes at close of trading	2 March 2023
New Shares quoted on a deferred settlement basis	3 March 2023
Last day to extend Entitlement Offer Closing Date	6 March 2023
Entitlement Offer closes (5.00pm)	9 March 2023

Results of Entitlement Offer announced	16 March 2023
Issue of New Shares under the Entitlement Offer	

**Notes:** The timetable above is indicative only and may change. The Company reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date and to accept late Applications (either generally or in particular cases). Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of the New Shares is subject to confirmation from ASX. The Company also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

## Indicative use of funds

Use of funds	Allocation of funds
Acquisition of the Half Moon Prospect interest <sup>1</sup>	\$2,950,000
Costs of the Entitlement Offer <sup>2</sup>	\$230,000
Working Capital	\$1,070,000
<b>TOTAL</b>	<b>\$4,250,000</b>

**Notes:**

1. Refer to the Company's ASX announcements dated 17 February 2023 and 25 January 2023 and the Investor Presentation announced today for additional information.
2. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion.
3. The above table assumes that the Entitlement Offer is fully subscribed. In the event that the Entitlement Offer is not fully subscribed, the amount allocated towards working capital will be reduced accordingly. The above table is a statement of current intentions as at the date of this announcement. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors disclosed in the Company's Investor Presentation lodged with ASX today), and actual expenditure levels, may differ significantly from the above estimates. Although the Company's immediate focus will be on its existing projects, the Company may pursue and assess other new business opportunities over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of permits, and/or direct equity participation. The use of further equity or debt funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy. The Company will require further financing in the future.

## Investor Presentation

For further information, please refer to the Investor Presentation also lodged today with the ASX. Eligible shareholders should be aware that an investment in the Company, including taking up your Entitlement, involves risks. The key risks identified by the

Company are summarised in the Company's Investor Presentation, but these are not an exhaustive list of the risks associated with an investment in the Company.

This ASX announcement was approved and authorised for release by the Board of Black Mountain Energy Ltd.

All dollar amounts are in Australian dollars unless otherwise stated.

*This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.*



# BLACKMOUNTAIN

ENERGY

**(BME.ASX)**

**“Energy Investment Opportunity in Australia’s Canning Basin  
and in the U.S. Permian Basin”**

Q1 2023

Not for release to US wire services or distribution in the United States

*Strictly Private and Confidential*

# DISCLAIMER

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## **Authorisation**

*This presentation has been approved for release by the Board of Black Mountain Energy Ltd (**Black Mountain Energy** or **Company**).*

## **Not an offer**

*This presentation is provided for general information purposes only. This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of securities in the Company in any jurisdiction. It is not a prospectus, product disclosure statement, pathfinder document or any other type of public offer disclosure document for the purposes of the Corporations Act 2001 (Cth) and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission.*

*This presentation does not constitute investment or financial product advice. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate.*

*This presentation does not include all available Information on Black Mountain Energy and should not be used in isolation as a guide to investing in the Company. Any potential investor should also refer to Black Mountain Energy's Annual Reports, ASX releases and take independent professional advice before considering investing in the Company. For further information about the Company, visit our website at <https://www.blackmountainenergy.com/site/content/>.*

## **Future performance and forward-looking statements**

*Whilst care has been exercised in preparing and presenting this presentation, to the maximum extent permitted by law, the Company and its representatives:*

- make no representation, warranty or undertaking, express or implied, as to the adequacy, accuracy, completeness or reasonableness of this presentation;*
- accept no responsibility or liability as to the adequacy, accuracy, completeness or reasonableness of this presentation;*
- accept no responsibility for any errors or omissions from this presentation; and*
- exclude and disclaim all liability, including (without limitation) any liability for fraud or negligence, for any expenses, losses, damages or costs incurred either as a result of the information in this presentation being inaccurate or incomplete in anyway for any reason, or otherwise arising in connection with this presentation.*

*Past performance is not an indication of future performance. This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (**Forward Statements**). Forward Statements can generally be identified by the use*

# DISCLAIMER



Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the extent that certain statements contained in this presentation may constitute Forward Statements or statements about forward-looking matters, then the information reflects the Company's (and no other party's) intent, belief or expectations as at the date of this presentation. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, its related bodies corporate and its respective officers, directors, employees, advisers, partners, affiliates and agents represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. Recipients should form their own views as to these matters and any assumptions on which any of the Forward Statements are based and not place reliance on such statements.

## Risks

An investment in the Company's securities is subject to known and unknown risks, many of which are beyond the control of the Company, including factors and risks specific to the industry as well as general economic conditions, prevailing exchange rates and interest rates and inflation and conditions in the financial markets. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment. Prospective investors should make their own enquiries and investigations regarding all information in this presentation, including the assumptions, uncertainties and contingencies which may affect future operations and prospects of the Company and the impact that different future outcomes may have on the Company. In particular, prospective investors should have regard to the risk factors in this presentation on slides 19 to 23.

## Prospective Resources and Contingent Resources Reporting Notes

- (i) The effective date of the estimates of Prospective Resources and Contingent Resources in this presentation is the date of the Replacement Prospectus dated 5 November 2021 (Listing Rule (LR) 5.25.1).
- (ii) The estimates of Prospective Resources and Contingent Resources in this presentation have been prepared in accordance with SPE-PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).
- (iii) The estimates of Prospective Resources and Contingent Resources in this presentation are reported according to the Company's economic interest in each of the resources and net of contractual royalties and volumes that the Company is allowed to lift and sell on behalf of the royalty owner (LR 5.25.5).
- (iv) The estimates of Prospective Resources and Contingent Resources in this presentation have been estimated and prepared using the probabilistic method (LR 5.25.6).
- (v) The estimates of Prospective Resources and Contingent Resources in this presentation have been estimated using a 0.18233 standard barrels oil equivalent conversion ratio for gas to oil (LR 5.25.7).
- (vi) The estimates of Contingent Resources in this presentation represent aggregated estimates of contingent resources, using the statistical aggregation method (LR 5.27.3).
- (vii) The estimates of Prospective Resources have been reported on a best estimate basis (LR 5.28.1).
- (viii) The estimates of Prospective Resources in this presentation represent aggregated estimates of prospective resources, using the statistical aggregation method (LR 5.28.4).

# International Offer Restrictions



*This document does not constitute an offer of entitlements (“Entitlements”) or new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold in the entitlement offer, in any country outside Australia except to the extent permitted below.*

## ***New Zealand***

*The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The entitlements are renounceable in favour of members of the public.*

*This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.*

## ***United States***

*The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.*

*The Offer is being made in the United States only to a limited number of shareholders of the Company who are “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act. In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an institutional accredited investor.*

*This presentation may not be released to US wire services or distributed in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The distribution of this presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to the section of this document headed “International Offer Restrictions” for more information*

The acquisition of the Half Moon Prospect demonstrates the Company’s commitment to identifying, developing, and operating projects in hydrocarbon-rich basins

**The acquisition of the Half Moon Prospect strategically:**

- ✓ Diversifies the Company’s portfolio across two independent regions (Australia & the United States)
- ✓ Redistributes risk profile and upside potential across two different basins (Canning Basin & Permian Basin)
- ✓ Provides for immediate production and cashflow
- ✓ Adds low risk near-term development opportunities
- ✓ Provides a source of income for self-funding project progression
- ✓ Leverages the Company’s existing capabilities

**Executive Chairman Rhett Bennett Commented:**

*“The assets provide the Company with an ability to diversify and generate immediate revenue through acquiring a portfolio of producing wells as we continue to develop the Valhalla project. The assets provide another operating nexus for us to drive value creation for shareholders, through existing production and possible future drilling”.*

*25 Jan 2023 ASX Announcement*



- Large prospective resources booked in Canning Basin

- Large contingent resources booked in Canning Basin  
- Multiple formations & targets to appraise in Half Moon prospect

- Half Moon has proven petroleum systems & offers step out targets  
- Canning Basin offers longer-term large-scale development

- Half Moon offers immediate production and cashflow  
- Canning Basin offers longer-term large-scale production potential

**OFFER SUMMARY & PRO-FORMA CAPITAL STRUCTURE**

The Company is seeking to raise up to \$4.25m

The Offer	Details	
Lead Manager	Foster Stockbroking Pty Ltd	
The Offer	2 for 3 renounceable pro rata entitlement offer of New Shares at \$0.025 per New Share to raise up to AUD\$4.25 million (before costs) via the issue of 170,000,001 New Shares	
Substantial Shareholder Commitment	Existing substantial shareholders, Rhett Bennett and BM Canning LLC, have undertaken to the Company to subscribe for New Shares under the Offer up to an aggregate value of \$2.1 million.	
Proceeds	Proceeds from the Offer will be applied towards: <ul style="list-style-type: none"> <li>Acquisition of the Half Moon Prospect; and</li> <li>Working Capital and Offer costs</li> </ul>	
Capital Structure	<b>Share Capital</b>	
	<b>Item</b>	<b>Number</b>
	Existing Shares on Issue	255,000,001
	New Shares to be issued under the Offer (assuming the offer is fully subscribed)	170,000,001
	<b>Total</b>	<b>425,000,002</b>
	Other Securities	
	Security	Number
	Options	17,977,205
Performance Rights	6,984,337	

<sup>1</sup> Cash Estimate assumes full take of Entitlement Offer and payment of USD\$2m for Half Moon Prospect



<b>Event</b>	<b>Date</b>
<b>Announcement of the Entitlement Offer</b>	20 February 2023
<b>Information Booklet and cleansing notice lodged with ASX</b>	
<b>Ex date</b>	22 February 2023
<b>Rights quoted on a deferred settlement basis</b>	
<b>Record Date for eligibility under the Entitlement Offer (5.00pm AWST)</b>	23 February 2023
<b>Information Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders</b>	28 February 2023
<b>Entitlement Offer opens</b>	
<b>Rights trading closes at close of trading</b>	2 March 2023
<b>New Shares quoted on a deferred settlement basis</b>	3 March 2023
<b>Last day to extend Entitlement Offer Closing Date</b>	6 March 2023
<b>Entitlement Offer closes (5.00pm)(AWST)</b>	9 March 2023
<b>Results of Entitlement Offer announced</b>	16 March 2023
<b>Issue of New Shares under the Entitlement Offer</b>	

## HISTORICAL OVERVIEW

- **Black Mountain Energy (ASX: BME)** is an energy and resources company focused on identifying, developing, and operating projects in hydrocarbon-rich basins
- Formed by Rhett Bennett in collaboration with U.S. Black Mountain energy professionals that specialize in identifying and capturing high-growth opportunities in the global energy sector
- Focused on safely developing oil & gas assets in an environmentally conscious manner

**Management at Black Mountain Oil & Gas LLC has significant operating experience**



**19,605**

Number of wells operated



**3,108**

Number of wells drilled and frac'd



**US \$2B**

\$ transacted since 2007

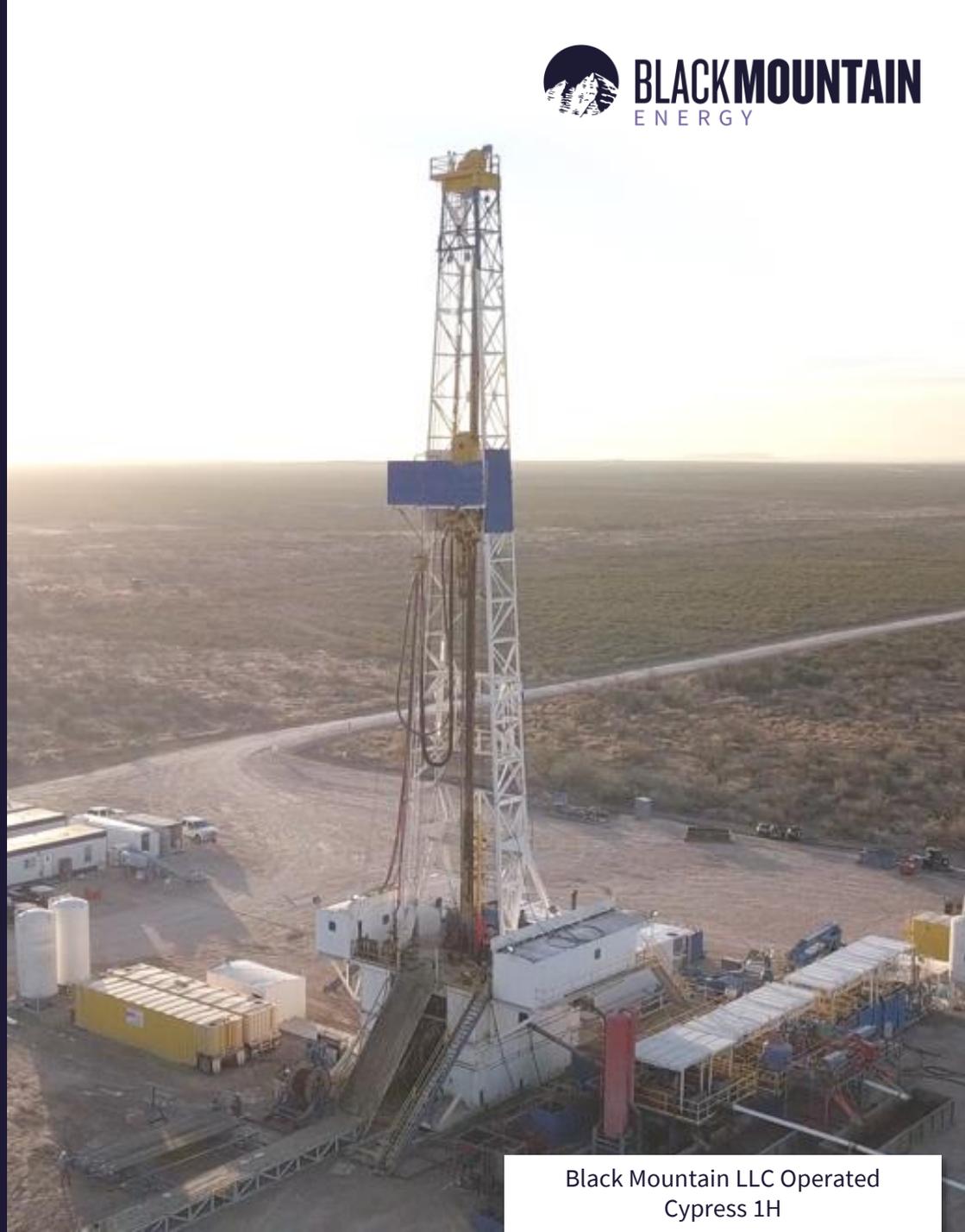


**9**

Number of businesses built since 2007



**BLACK MOUNTAIN**  
ENERGY



Black Mountain LLC Operated  
Cypress 1H



**Rhett Bennett**

*Executive Chairman*

- Founded BM LLC in 2007
- Serial entrepreneur across natural resources sector: oil and gas, sand, water, disposal, metals, and minerals
- Honors & Awards: Oil & Gas Investor 40 under 40, EY Entrepreneur of the Year - Southwest Region, University of Georgia 40 under 40



**Marie Malaxos**

*Non-Executive Director*

- Formerly COO of Buru Energy (2012 – 2013)
- Formerly Non-Executive Director for Pancontinental Energy NL (2017 – Present); voted into the board by shareholders after the SPA with Bombora Natural Energy Extensive experience in onshore petroleum operations and development in Australia



**Peter Cramer**

*Non-Executive Director*

- Formerly the Exploration Manager at ConocoPhillips (2002 – 2018) where he led a team of 50+ professionals to deploy \$100MM+ into exploration projects globally
- Currently serves as an Independent Director for SA Exploration (2020 – Present), and Board Treasurer for Society of Exploration Geophysicists (2020 – 2022)



**Craig Costello**

*Non-Executive Director*

- 25 years of multinational exploration & production operator experience across disciplines from reservoir to export
- Currently serves as a Director of ResToEx Pty Ltd consultancy, which offers integrated oil & gas asset management and development solutions



**Michael Laurent**

*Chief Operating Officer*

- Professional engineer with over 25 years of domestic and international oil & gas experience
- Experience is underpinned with strong strategic, commercial, and technical acumen in both conventional and unconventional reservoirs.
- Formerly COO at Armour Energy



**Ben Donovan**

*Company Secretary*

- Chartered secretary and member of the Governance Institute of Australia
- Served as Sr. Advisor on the ASX and managed listings of 100 companies in three years.
- Provides corporate advisory, IPO and consultancy services
- Currently Company Secretary of several ASX listed and public unlisted companies



**Craig Gouws**

*Chief Financial Officer*

- Chartered accountant with 20 years of financial and commercial experience.
- Brings a depth of experience across multiple industries.
- Held CFO roles in both Australia and in the United Kingdom.
- Fellow of the Institute of Chartered Accountants England and Wales and a member of the South African Institute of Chartered Accountants.



**Murphy Markham**

*Senior Advisor*

- Formerly the Managing Director and Group Head of JPMorgan Chase's Oil & Gas before joining EnCap Investments in July 2006 as Managing Director
- Bachelor of Business Administration in Finance from Texas Tech University and a Master of Business Administration in Accounting from the University of Houston



**Lee Marshall**

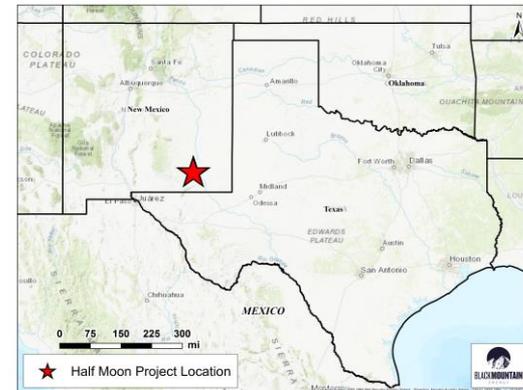
*Commercial Senior Advisor*

- Commercial and finance executive with 25 years' global oil and gas experience leading negotiation, analysis, strategy, M&A and deal execution
- Formerly Group Executive Corporate Strategy and Commercial for Beach Energy, and General Manager UK for Woodside Energy

On 25 Jan 2023, the Company announced the acquisition of Earthstone Energy’s interest in an existing oil and gas field (known as the Half Moon Prospect) in the Permian Basin in New Mexico, United States.

### Half Moon Project (Figure 1)

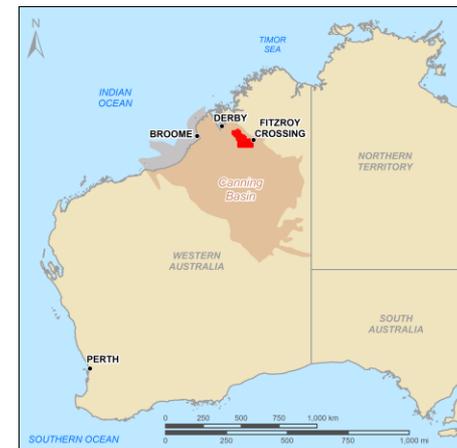
- Diversifies the Company’s portfolio
- Provides immediate production & revenue
- Potential hydrocarbons are believed to exist in multiple formations on the acreage
- Further value may be unlocked via horizontal drilling
- Efforts underway to consider expanding footprint



**Figure 1**

### Project Valhalla (Figure 2)

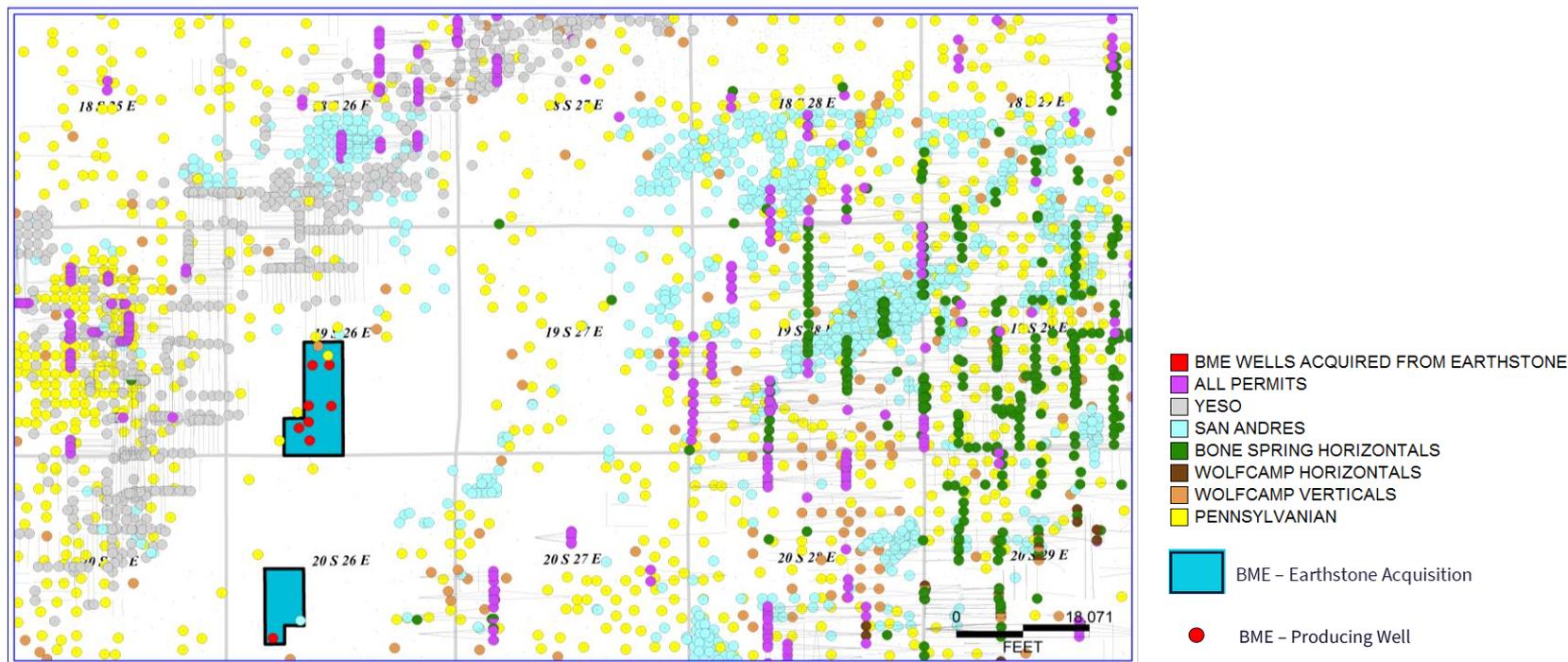
- Company’s flagship project
- The Canning Basin Project is potentially a globally significant resource
- Company is focused on progressing approvals, data acquisition and appraisal planning



**Figure 2**

## HIGHLIGHTS

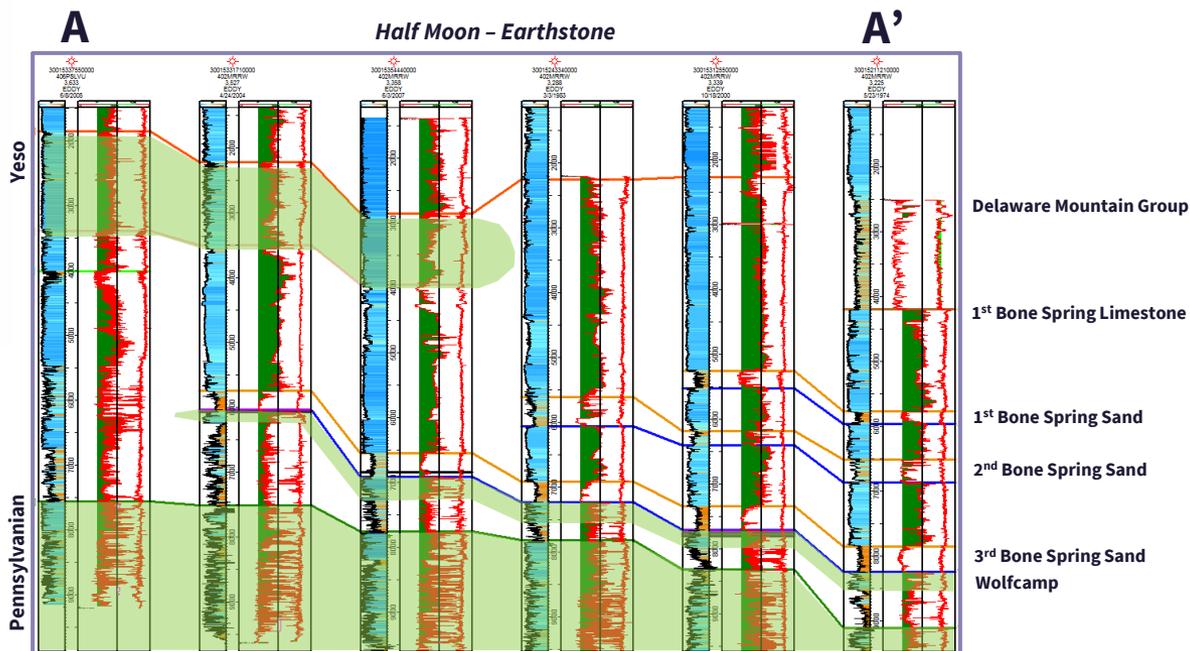
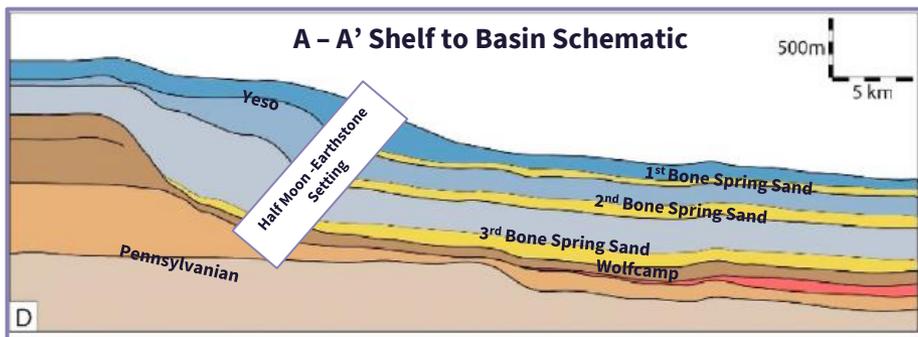
- Gross Production<sup>(1)</sup> of approximately 1,800 mcf per day or **465 mcf per day of net production<sup>(1)</sup>**
- The approximate **1,268 net acre** position is held by production through **eight (8) vertical Morrow gas wells**
- Prospect area has adequate natural gas & NGL pipelines, plant capacity, and SWD access to support growth
- Joint Operating Agreement (JOA), allows BME to propose wells on the acreage as a Non-Operating partner
- Industry activity surrounds the Half Moon Prospect



(1) 3-Phase volumes with NGL Yield estimated at 62 barrels per mcf and volumes as announced on 25 Jan 2023. The Company holds an approximate 39% working interest across the acreage.

The Half Moon Prospect benefits from the Permian Basin’s stacked pay potential, allowing BME to benefit from the ability to exploit multiple producing zones

- The Half Moon Prospect area is bound by proven petroleum systems:
  - Yeso production to the north & west
  - Bone Spring & Wolfcamp production to the east
  - Pennsylvanian production within & surrounds Half Moon acreage
- Area exhibits equivalent net pay thickness to multiple areas of active development



Delaware Basin Stratigraphic Formations		
Period	Series	Formations
Guadalupian (271-260 mya)	Delaware Group	Lamar Bell Canyon Cherry Canyon Brushy Canyon
Leonardian (280-271 mya)		Upper Avalon Shale Lower Avalon Shale 1 <sup>st</sup> Bone Spring 2 <sup>nd</sup> Bone Spring 3 <sup>rd</sup> Bone Spring
Wolfcampian (299-280 mya)		Wolfcamp
Pennsylvanian (323-299 mya)		Pennsylvanian

## 01

### ACQUIRE EARTHSTONE ENERGY'S INTERESTS

- The acquisition of Earthstone's interest provided a strategic entry point to the area
- Under the Joint Operating Agreement (JOA), BME has the right to propose wells on the acreage as a Non-Operating partner



## 02

### LEASE ADDITIONAL ACREAGE

- Identify and lease bolt-on acreage to current footprint
- Prioritize open acreage in Half Moon area with the most well control



## 03

### REALIZE UPSIDE VALUE

- Generate value by:
  - Aggregating acreage to form a contiguous footprint
  - Gaining access to additional drilling locations
  - Prepare for and execute new activity



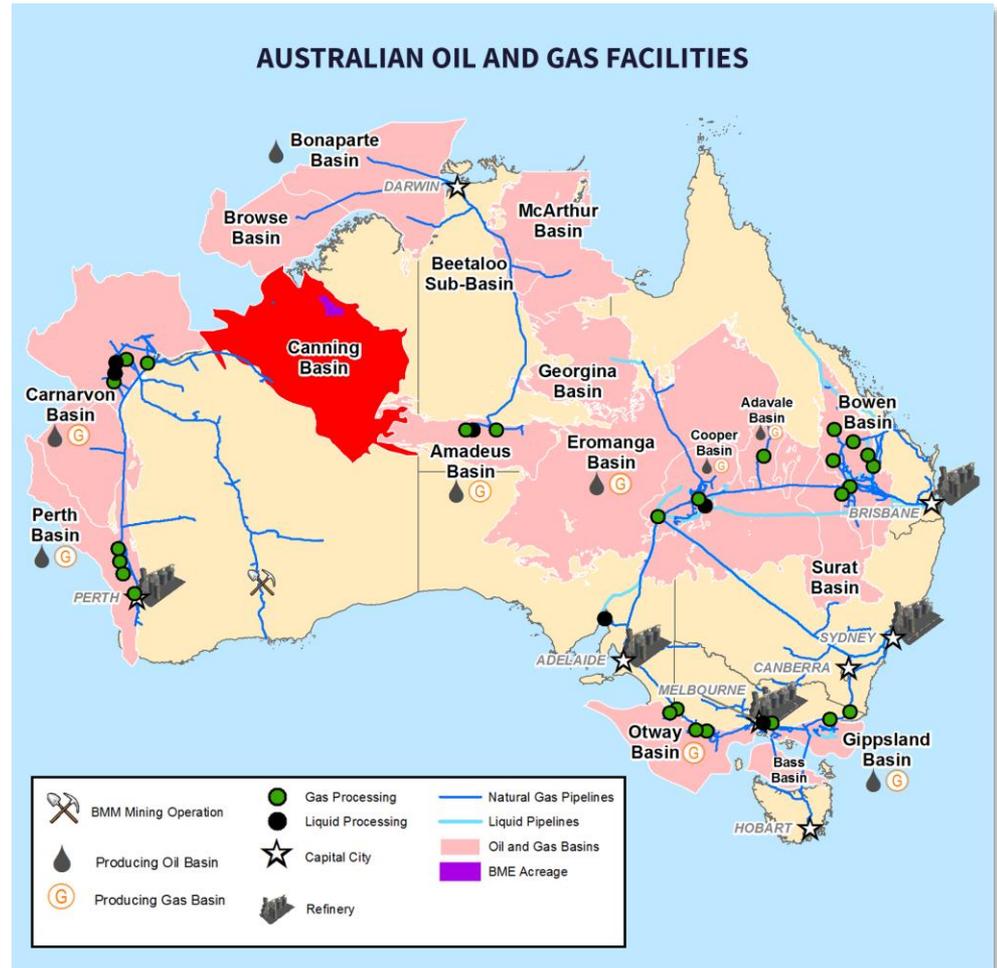
# CANNING BASIN: VALHALLA PROJECT RECAP

Project Valhalla is BME’s flagship project and one of the world’s last large scale onshore oil & gas projects

<b>CLASSIFICATION</b>	Basin Centered Tight Gas
<b>STATUS</b>	Appraisal
<b>LOCATION</b>	Canning Basin, Western Australia
<b>PERMIT AREA</b>	EP371

## BY THE NUMBERS

- 1.5 TCF Contingent Resource + 29.6 MM bbl of condensate defined by 3 vertical wells (2C)<sup>1</sup>
- 11.8 TCF Prospective Resource + 165.6 MM bbl of condensate from broader basin centered gas/liquids resource (2U)<sup>2</sup>
- Gross contiguous acreage of ~6,781 km<sup>2</sup> (~1.7mm acres)
- Targeting the Laurel formation with \*5% methane, 5% ethane and low inerts (CO<sub>2</sub> gas at around 2%)
- Condensate at 55 deg API
- Overpressure confirmed at 0.55-0.65 psi/ft



<sup>1</sup>The estimated quantities of petroleum that may potentially be recovered the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

<sup>2</sup>The estimate of Prospective Resources and Contingent Resources were first reported by the Company in its Replacement Prospectus dated 5 November 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Replacement Prospectus and that all material assumptions and technical parameters underpinning the estimates in the Replacement Prospectus continue to apply and have not materially changed.

# VALHALLA APPRAISAL/DEVELOPMENT OPPORTUNITY



Black Mountain Energy (BME) is unlocking the Canning Basin by appraising a **significant natural gas resource** using a team with a **proven track record**



**Differentiated** capability to export gas from Western Australia, with multiple commerciality pathways, including LNG backfill, direct export, and blue hydrogen.



**Strategic permanent advantage** in BME's proximity to Asian LNG off-takers for Australian Natural Gas



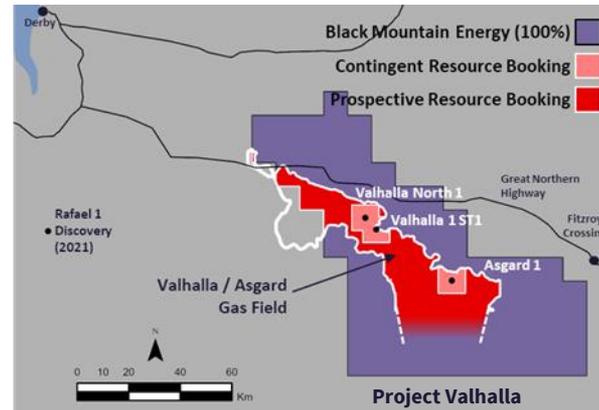
BME has **the right skillset** to commercialize Valhalla, creating a new major natural gas resource in Australia



**Supportive** local stakeholders and Traditional Owner groups (with ILUA's in place) who want to see the project succeed



Environmental permitting and formal approval progressing



**Proven resource** from historical wells drilled on acreage that flowed gas to surface



**Attractive** cost of development and scalability compared to other undeveloped resources



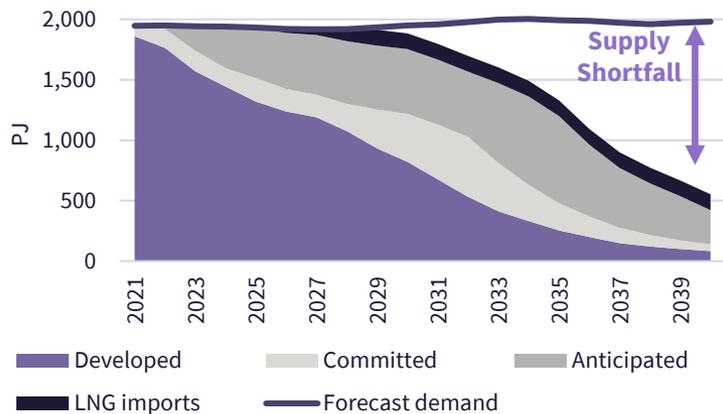
**Approval and support** conditionally received from West Australian Government allowing international export of gas from the Valhalla gas field

# POTENTIAL PATHWAYS TO COMMERCIALITY

- 1 Existing LNG Facilities or WA Gas Market**
- 2 Downstream Production Asset**  
(Methanol, Urea, or Ammonia)
- 3 Existing NT LNG Facilities**
- 4 Greenfield Export Opportunities**
- 5 Domestic East & SE Coast Gas Market**  
AEMO's 2021 Residential & Commercial gas price base case projection<sup>1</sup> has gas price staying between A\$10-14/Gj in Sydney & Melbourne out to year 2040<sup>2</sup>

Black Mountain Energy has acquired a conditional export exemption from the WA Gov JTSI to export natural gas from the Valhalla gas field. A complementing Domestic Gas Commitment Agreement is required.

## Proximity To Asian LNG Markets



The acquisition of the Half Moon Prospect demonstrates the Company's commitment to identifying, developing, and operating projects in hydrocarbon-rich basins

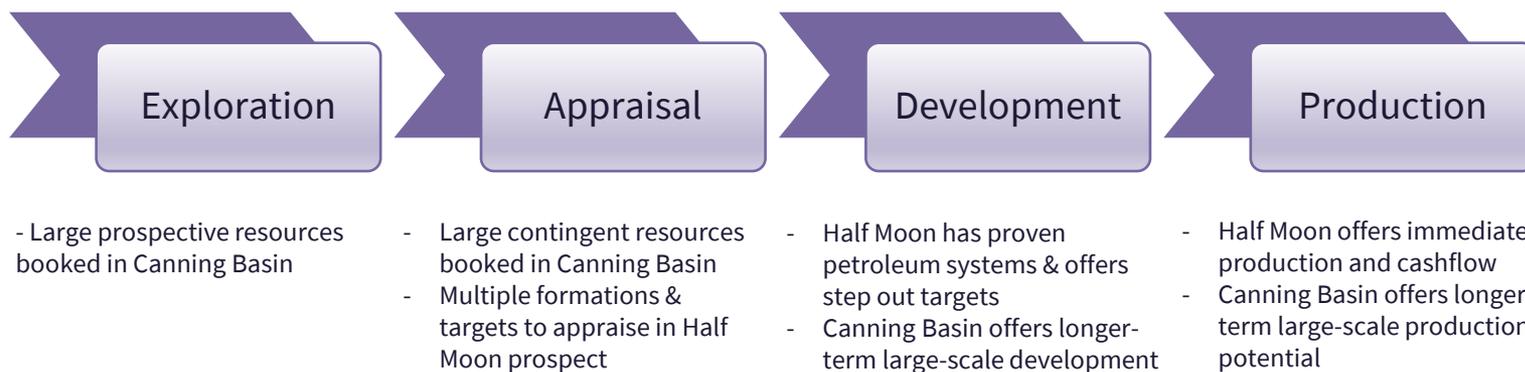
### The acquisition of the Half Moon Prospect strategically:

- ✓ Diversifies the Company's portfolio across two independent regions (Australia & the United States)
- ✓ Redistributes risk profile and upside potential across two different basins (Canning Basin & Permian Basin)
- ✓ Provides for immediate production and cashflow
- ✓ Adds low risk near-term development opportunities
- ✓ Provides a source of income for self-funding project progression
- ✓ Leverages the Company's existing capabilities

### **Executive Chairman Rhett Bennett Commented:**

*"The assets provide the Company with an ability to diversify and generate immediate revenue through acquiring a portfolio of producing wells as we continue to develop the Valhalla project. The assets provide another operating nexus for us to drive value creation for shareholders, through existing production and possible future drilling".*

*25 Jan 2023 ASX Announcement*





# BLACKMOUNTAIN

ENERGY

**ALL INQUIRIES SHOULD BE DIRECTED TO:**

**Michael Laurent**

*Chief Operating Officer*

[investors@blackmountainenergy.com](mailto:investors@blackmountainenergy.com)

# Risks

## Specific to the Company & Industry



**Liquidity risk** The Company has 255,000,001 Shares on issue. The Company has 200,000,000 of these Shares subject to 24 months escrow upon Admission. This is in aggregate, equal to approximately 78.4% of the Company's issued Share capital prior to the Offer. Post the Offer, Rhett Bennett could control up to 86.70% of the issued capital. This creates a liquidity risk as a large portion of issued capital may not be able to be freely tradable for a period of time. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

**Control risk** Mr Bennett, his respective associates and affiliated entities, will continue to maintain a significant voting power in the Company on completion of the Offer. The Company and its Directors will comply with all applicable laws and the Listing Rules in relation to any dealings between Mr Bennett and the Company, including: (i) obtaining any Shareholder approvals for transactions between Mr Bennett and the Company, where required by applicable law or the Listing Rules; and (ii) the Directors' duties and obligations to the Company, including in relation to material personal interests and other conflicts of interest and, more generally, to act in the best interests of the Company as a whole. However, there is a risk that investors will discount the Company's Shares as a result of the level of control being given to Mr Bennett and his respective associates and affiliated entities on completion of the Offer, and the decreased likelihood of a third party making a takeover bid for the Company.

**Future capital requirements** The Company has no operating revenue and is unlikely to generate any operating revenue unless and until production commences. The funds raised under the Offer are only intended to provide the Company with sufficient funding for a 12 month period. The future capital requirements of the Company will depend on many factors including its abilities to produce and market its products. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business objectives in the short term, however, the Company will likely require further financing in the future. In the event further financing is required to maintain operations, any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy.

**Limited operating history** The Company was incorporated on 26 July 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the gas exploration and development sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or development of its project. Until the Company can realise value from the project, it is likely to incur operational losses.

**Exploration risk** Gas exploration and development is speculative and involves elements of significant risk with no guarantee of success. There is no assurance that expenditure on activities will result in gas discoveries that can be commercially or economically exploited. A key to the Company's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to technical risks and uncertainty of outcome. The Company may not find any or may find insufficient hydrocarbon reserves and resources to commercialise, which would adversely impact the financial performance of the Company. There is the risk that drilling will result in dry holes or not result in the discovery of commercially exploitable hydrocarbons. Wells may not be productive, or they may not provide sufficient revenues to return a profit after accounting for associated costs. The cost of drilling, completing, equipping, and operating wells is subject to uncertainties.

**Operational risk** Gas development activities include numerous operational risks, including but not limited to, adverse weather conditions, environmental hazards, and unforeseen increases in establishment costs, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), equipment failure, industrial disputes, technical issues, supply chain failure, labour issues, deliberate destruction, adverse production results, uncertainty in resource and reserve estimation, uncertainty in deliverability estimation, IT system failure, cyber security breaches, political opposition and other unexpected events. Drilling operations, in particular, carry inherent risk associated with, for example, unexpected geological conditions, mechanical failures, or human error. The occurrence of an operational risk event could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its development and operational programs. This, in turn, may adversely impact the Company's financial performance.

**Export exemption to Western Australian domestic gas supply** In August 2020, Premier Mark McGowan announced that the WA Domestic Gas Policy would be amended to prevent the export of local WA gas to the Eastern States or overseas. This policy would have prevented the Company from exporting EP 371 gas and, given the lack of infrastructure to get EP 371 gas to market and the current domestic gas prices, would have made it challenging to develop EP 371 gas. In September 2021, the Company was granted an exemption to the export restrictions on domestic natural gas from the Western Australian government's Department of Jobs, Tourism, Science and Innovation (JTSI) subject to certain conditions being met. The Company was granted this exemption on the basis of its remote location and isolated nature of the Valhalla gas field. There is a risk this exemption may be withdrawn and/or terminated in which case, as outlined above, it may be challenging for the Company to develop EP 371 gas at the current domestic gas prices. However, the Company is not aware of any reason why the exemption would be withdrawn or terminated.

# Risks

## Specific to the Company & Industry

**Development risk** If the Company is successful in locating commercial quantities of gas, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs, access to infrastructure and land access to construct suitable infrastructure. If one or more of these occurrences has a material impact, then the Company's operational and financial performance may be negatively affected.

**Reserves and resources estimates** Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity prices and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production tests over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance. Accumulations of hydrocarbons will be classified according to the system designed by the Society of Petroleum Engineers, through the Petroleum Resources Management System (SPE-PRMS) and in accordance with ASX Listing Rules. The SPE-PRMS system classifies accumulations of hydrocarbons with respect to a matrix of uncertainty and chance of commerciality. Whilst there are a multitude of pathways through this matrix from Prospective Resources to Contingent Resources and then to reserves, the process is defined by three stages of exploration, appraisal, and development. Prospective Resources are defined as those quantities of gas which are estimated on a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development; however, are undiscovered and as such carry significant exploration risk. There is a different process for the conversion of resources to reserves between conventional (high permeability) reservoirs and unconventional (low permeability) reservoirs. For conventional reservoirs this is done via a relatively short-term flow tests in the appraisal wells. For the unconventional reservoirs which often contain much larger accumulations covering larger areas, several longer term production pilots may be required to demonstrate commerciality and quantification of reserves.

**Access to infrastructure risk, availability of drilling and hydraulic fracturing equipment** The Company's gas exploration and development activities are dependent on the availability of drilling rigs and related equipment in its exploration permit. Recent increases in oil and gas exploration activities in Australia have resulted in high demand and limited availability for some types of drilling rigs and equipment in certain areas which may result in delays to the Company's planned exploration and development activities. The Company will very likely require access to infrastructure, or to construct infrastructure, to sell the reserves it produces, including pipelines to transport the gas to market. Given the remote location of the Company's project, there can be no guarantee that the Company will be able to gain access to appropriate infrastructure on commercially viable terms or that it will be commercially viable for it to fund the construction of its own infrastructure. Failure to obtain access to infrastructure (whether owned by the Company or others) may adversely impact the Company's financial performance.

**Permit risk** The Company is required to comply with a range of laws to retain its permits both in Australia and the United States and periodically renew them. The Company is also required to comply with a range of laws and report milestones to obtain new permits related to the development and commercialization of the Company's project. The Company's permit also has its own specific requirements that the Company must satisfy. Even if specific requirements are met, there is no certainty that an application for grant or renewal of the permit will be approved at all, or on satisfactory terms or within expected timeframes. The laws relating to permits are complex and subject to changes in interpretation. Non-compliance with them could lead to the revocation of the Company's permit and the Company cannot guarantee its permit will be renewed or future permits will be granted.

**Reliance on gas development and production activity** The Company is an explorer and developer of hydrocarbons, with a focus on natural gas development in Australia and the United States. The level of activity in the gas industry may vary and is principally affected by the prevailing or predicted future gas prices, market demand and other factors. These other factors, including economic growth, the cost and availability of other energy sources (including renewable energy) and changes in energy technology and regulation, affect the industry. The future growth of the Company is dependent on the continued economic importance of gas, development, and production industry in Australia and internationally. Any substantive and prolonged changes to the current economic importance of the gas development and production industry in Australia and the United States would be likely to have an adverse effect on the business, financial condition, and profits of the Company.

**Community opposition risk** Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

**Hydraulic fracturing** There are regulatory requirements in relation to HFS. As HFS requires the use of water, the availability and regulation of which may change over time. There are costs associated with water disposal that may be required should the Company produce water in its wells. The Company may be subject to additional regulations or restrictions from local, state, or federal governmental authorities, resulting in increased compliance costs. Any modification to the current requirements may adversely impact the value of the Company's assets and future financial performance.

**Price of gas currency volatility** The demand for, and price of gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major gas corporations, global economic and political developments, and other factors all of which are beyond the control of the Company. As such, it is impossible to predict future commodity prices with confidence. International gas prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect gas price are unrest and political instability in countries that have increased concern over supply.

**Product risk** There is a risk that any gas resource identified may not be of sufficient quality to develop commercial operations, which could have an adverse impact on the Company. There are also risks that actual gas products produced and sold will differ from the Company's expectations.

**Regulatory risk** The Company must comply with relevant laws and regulations in each jurisdiction it operates as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Non-compliance may impact the Company's ability to commercialise or retain its assets, which may in turn impact its operational and financial performance. Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy) may restrict or affect the Company's right or ability to conduct its activities.

# Risks

## Specific to the Company & Industry

**Reliance on key personnel** The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants

**Policy risk** The Company's business is affected by government policy, which in turn may be influenced by international policies and laws. While the Company considers that the current policies are supportive of the development of Australia's and the United States natural gas resources, there is no guarantee that this stance will not change in the future. In particular, there is a risk that the Governments could shift its domestic or international policy. International policy developments have the potential to have an indirect impact on the Company's operations, given that domestic policy makers might have regard to those developments in helping to formulate and in setting the direction of local policy. Shifts in government policy could have varying degrees of impact on the Company's operations and its profitability and could range from loss or reduction in industry incentives, preventing infrastructure development to moratoriums on future gas development in specific areas.

**Competition risk** The Company competes with numerous other organisations in the search for, and the acquisition of, gas assets. The Company's competitors include gas companies that have substantially greater financial resources, staff and facilities than those of the Company and a longer operating history. The Company's ability to increase its resources and reserves in the future will depend not only on its ability to explore and develop its current project, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. There is also no guarantee that the Company will be able to compete effectively with future competitors, including from organisations specialising in alternative sources of energy. Future competition may adversely impact the Company's financial performance.

**Native title risk** The area of EP 371 is partially covered by one registered native title claim (in the name of Warlangurru) and five registered native title determinations (in the names of Noonkanbah, Nyikina Mangala, Bunuba People #2 Part A, Yi-Martuwarra Ngurrara Part A and Bunuba #2 Part B, respectively). For further information on the native title overlaps, please refer to section 6.8 of the Solicitor's Report in Annexure C. The Company is aware that the area of EP 371 is covered by the Yungngora Aboriginal Corporation RNTBC, Buru Energy Limited and Diamond Resources (Canning) Pty Ltd Body Corporate Indigenous Land Use Agreement (YAC ILUA). BNR (the holder of EP 371) is a party to the YAC ILUA, which was signed on 5 September 2016 and registered on 17 March 2017. The YAC ILUA relates to the Noonkanbah native title determination. For further information on the YAC ILUA, please refer to section 6.10 of the Solicitor's Report in Annexure C of the Admission Prospectus. There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Company's project or in the vicinity. The existence of native title claims over the area covered by the Company's project, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the permits provided the permits have been validly granted in accordance with the Native Title Act 1993 (Cth) (Native Title Act). It is the Company's view that EP 371 was granted validly, and has been renewed validly, in compliance with the Native Title Act. For further information on the validity of grant of EP 371, please refer to section 6.9 of the Solicitor's Report in Annexure C of the Admission Prospectus. However, if any permit was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. The grant of any future production licences to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. Any delays or costs in engaging with the relevant native title holders in negotiating new arrangements in respect of a production licence may adversely impact the Company's ability to carry out petroleum extraction activities within the affected areas

**Aboriginal heritage risk** The Company is aware that there are seven registered Aboriginal heritage sites and three applications for 'other' Aboriginal heritage places, within EP 371. However, the Company confirms that its current exploration program does not impact these sites. Please refer to section 7.5 of the Solicitor's Report at Annexure C of the Admission Prospectus for further details. There remains a risk that additional Aboriginal sites may exist on the land the subject of EP 371. The existence of such sites may preclude or limit exploration activities in certain areas of EP 371.

**New projects and potential acquisitions** The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

**Third party risks** Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Company's project. The area of EP 371 overlaps a File Notation Area, in respect of which third party tenure and access rights may be granted in the future. EP 371 also overlaps several pastoral leases, mining tenure granted pursuant to the Mining Act 1978 (WA), a petroleum pipeline licence granted pursuant to the Petroleum Pipelines Act 1969 (WA) and several 'C' Class Reserves (which is Crown Land set aside or "reserved" for a designated purpose). Please refer to section 8 of the Solicitor's Report at Annexure C for further specific details on this third-party tenure. Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration activities within the affected areas.

**Royalties** The following royalties are payable in relation to EP 371: (i) a royalty at the rate of 2% of the well head value of petroleum recovered from EP 371 to Fitzroy River Corporation Limited, pursuant to the Fitzroy Royalty Deed; (ii) a royalty at the rate of 5% of the gross well head value of all petroleum produced or otherwise recovered from a production area over the area of EP 371 to BMC (an entity owned 100% by BM Canning), pursuant to the BMC Royalty Deed; (iii) a royalty of 1.25% to the Yungngora Aboriginal Corporation RNTBC under the YAC ILUA in respect for petroleum recovered and sold from within the area of the YAC ILUA; and (iv) a royalty of 1.25% to the Warlangurru claim group under the WLAUA in respect for petroleum recovered and sold from within the area of EP 371 which overlaps the Warlangurru claim area. These royalties, along with the usual royalties payable to the State of Western Australia, may have an impact on the economics of progressing any proposed exploration and petroleum production operations

**Third party contractor risks** The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

**Health and safety risk** All aspects of petroleum operations, including seismic, drilling, development and production are inherently hazardous. In addition to the risk of injury or damage to persons or property, health and safety failures represent a substantial reputational and regulatory risk for the Company.

# Risks

## Specific to the Company & Industry



**Environmental risk** Despite efforts to conduct activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that operational activities may cause harm to the environment which could impact production or delay future development timetables. The Company is also subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in the cessation or reduction of the Company's activities, materially increase development or production costs or otherwise adversely impact the Company's operations, financial performance or prospects. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive and may not, in its entirety, be insurable. Compliance with these laws requires significant expenditure and non-compliance may potentially result in fines or requests for improvement action from the regulator. In addition, if the Company were to be held responsible for environmental damage, in addition to remediation costs, it may suffer reputational damage, possible suspension or cessation of operations, revocation of permits or financial penalties. Further environmental approvals will be required to be obtained by the Company prior to it being able to undertake drilling or HFS. The Company's Gas Exploration and Appraisal Program (which includes unconventional exploration and appraisal drilling and a program of HFS) has been referred to the Environmental Protection Authority (EPA) under Part IV of the Environmental Protection Act 1986 (WA) (EP Act). It is the first proposal to undertake hydraulic fracturing in Western Australia since the State-wide moratorium on hydraulic fracturing was lifted in September 2019. This brings with it some uncertainty about the timing for assessment, approval and implementation and any delays, or requirements or obligations imposed, may adversely impact the Company's ability to carry out future exploration or petroleum extraction activities within the affected areas. The EPA's assessment scoping document for the proposal includes a timeline for assessment (which has the EPA providing its report and recommendations to the Minister for the final approval decision on 1 March 2023). The EPA's assessment is to occur in parallel with the Government's implementation of other recommendations coming out of the Independent Scientific Panel Inquiry into HFS. One such recommendation is the development of a WA Code of Practice. This work is still underway by the State Government of Western Australia. The State Government of Western Australia has advised that no hydraulic fracturing will be allowed to commence until the WA Code of Practice is developed. Any delays in developing, or requirements or obligations imposed, under the WA Code of Practice may adversely impact the Company's ability to carry out future petroleum exploration or production activities within the affected areas.

**Climate change risk** There has been increasing concern by the public and regulators globally on climate change issues. As a gas development company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, the Company will find it difficult to commercialise any resources it discovers. Climate change is a risk the Company has considered, particularly related to its operations in the industry. The climate change risks particularly attributable to the Company include: (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns (i.e., floods) and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

**Insurance risks** The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with exploration and production is not always available and where available the costs can be prohibitive.

**COVID-19 impact risk** The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gas price and foreign exchange rates. There is also continued uncertainty as to the ongoing and future responses of governments and authorities globally, and a further Australian economic shut down is possible. Given the economic uncertainty that remains during the COVID-19 pandemic, the Company's financial performance may be adversely impacted. COVID-19 also poses a health risk to the Company's personnel. While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

**Unforeseen expenses** The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

**Conflicts of interest** Rhett Bennett (who is the sole manager of BM Canning and the sole limited partner of Black Mountain Land Company LP) has appointed himself as a nominee to the Board of the Company. On Completion of the Offer, Mr Bennett, together with his respective associates and affiliated entities, will have a relevant interest in up to 78% of the Company's issued Share capital. Despite this, the Company will have a majority of independent directors. The Company has adopted a director conflict protocol to help manage any actual, potential or perceived conflicts of interest. Certain Directors are also directors and officers of other companies engaged in gas exploration, development and production. Accordingly, gas opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the situations that could arise in which their obligations to, or interests in, the Company, there exists actual and potential conflicts of interest among these persons.

**Joint Operating Risk** The Company has an interest in USA located gas production licenses and related facilities. Joint Operating Agreements aim to mitigate risks associated with capital intensive gas production operations however misalignment between joint venture partners can arise.

**Foreign Exchange Risk** The Company has an interest in USA gas production, the related sales proceeds are denominated in United States Dollars which exposes the Company to Foreign Exchange Risk.

**USA Tenure Risk** The Company has an interest in USA gas licences, leases, and lands. The Company is therefore exposed to USA licence tenure risks.

# Risks

## General Risks



**General economic climate** Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

**Market conditions** The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's performance. Share market conditions are affected by many factors such as: (i) general economic outlook; (ii) interest rates and inflation rates; (iii) currency fluctuations; (iv) changes in investor sentiment; (v) the demand for, and supply of, capital; and (vi) terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**Securities investments** Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

**Force majeure** Events may occur within or outside Australia that could impact upon the global, Australian and other local economies, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, pandemic, floods, extreme weather, water contamination, earthquakes, labour strikes, war, natural disasters, outbreaks of disease, quarantine restrictions or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business. In most cases, these risks cannot be insured against and when they are insurable, there is no guarantee that insurance claims will be made in all circumstances or that available insurance proceeds will cover every aspect of loss or damage.

**Government and legal risk** Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to conduct its activities.

**Litigation risks** The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

**Taxation** The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Offer.

**Appendix Slides**



# TECHNICAL TEAM – BM OIL & GAS



**Jarvis “Jay” Moore, P.G.**

*Chief Geoscientist*

- 24+ years of Oil & Gas experience
- Experience includes prospect generation, planning, drilling oversight of hundreds of wellbores in both conventional and unconventional plays.
- Licensed Professional Geoscientist and SIPES Certified Earth Scientist.
- BS and MS in Geology from Georgia Southern and Texas Christian University



**George Witman**

*President*

- 20+ years of Oil & Gas experience
- Previously spent 13 years with EOG Resources in a variety of drilling, completions, and managerial roles.
- BS in Mechanical Engineering from Cornell University



**Brent Smith**

*VP of Production*

- 24+ years of Oil & Gas experience
- Previously worked at Devon Energy managing conventional and unconventional assets across the U.S.
- BS in Petroleum Engineering from Colorado School of Mines
- MBA from Oklahoma University



**Perry Richmond**

*VP of Reservoir Engineering*

- 35+ years of Oil & Gas experience
- Previously worked at Pioneer Natural Resources in managerial and technical roles in enhanced oil recovery, business development, and reservoir engineering.
- BS in Petroleum Engineering from Texas A&M



**Madhav Kulkarni**

*Director of Reservoir Engineering*

- 16+ years of Oil & Gas experience
- Starting as a Reservoir Engineer, he has held diverse roles with increasing responsibility as a Reservoir Team Lead, Corporate Reserves Manager and Commercial Manager.
- Ph.D. in Petroleum Engineering from Louisiana State University, and a M. Fin. from Tulane University



**Sean Taylor**

*Director of Geosciences*

- 19+ years of Oil & Gas experience
- Previously worked for Oxy, Encana, and Anadarko in roles of petrophysicist, geologist, and lead of petrophysics and reservoir characterization teams.
- B.S. in Geology from University of Missouri-Rolla and a M.S. in Geology from California State University



**Mark Mueller**

*Drilling Supervisor*

- 7+ years of Oil & Gas experience
- Previously worked at BHP Billiton and held roles in engineering and operations supervision across Drilling and Completions.
- Planned and executed drilling projects in North American Shale, Australia, and the Gulf of Mexico.
- B.S. in Petroleum Engineering from Texas A&M



**Robert Hull**

*Geoscience Advisor*

- 34+ years in geoscience experience
- 15+ years in unconventional plays worldwide
- Specializes in unconventional shale reservoir characterization, downhole fiber optic geophysics and microseismic; DHI analysis for reservoir geophysics; fracture prediction, structural mapping for prospect development.
- M.S. in Geology from University of Texas and a B.A in Geology from University of Rochester

COMMERCIALIZATION STRATEGY

# PIPELINE OPTIONS

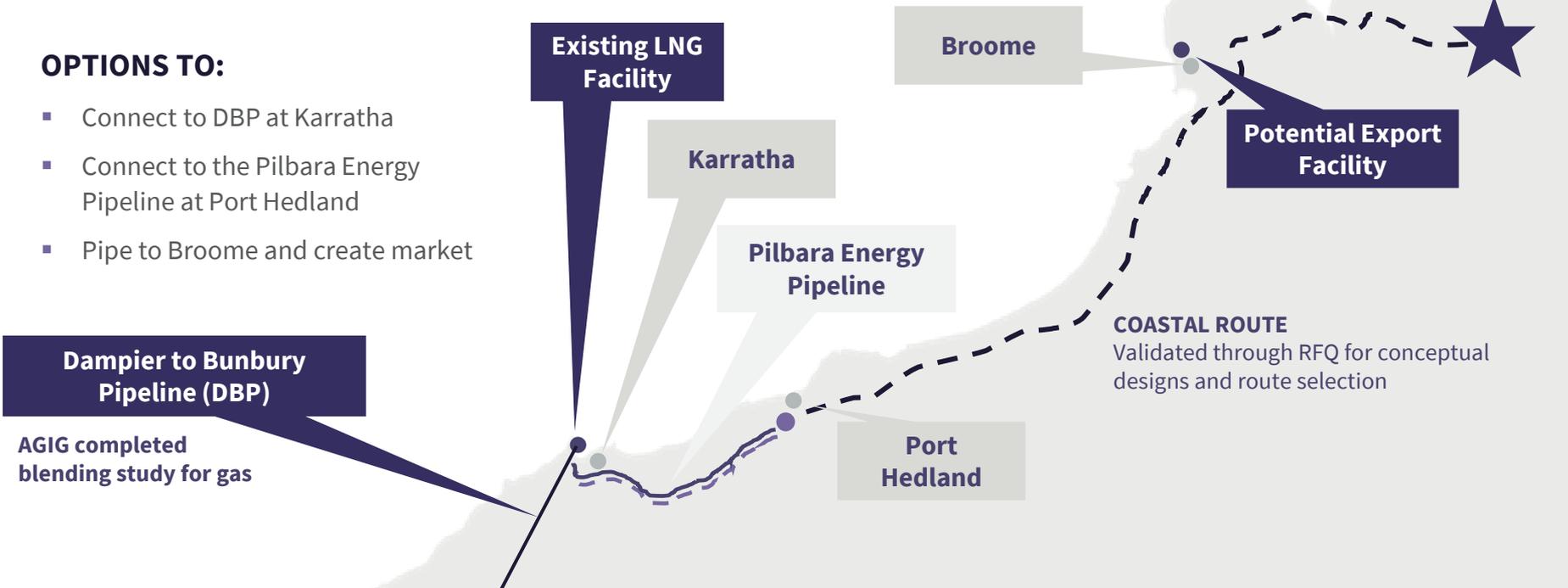


**VALHALLA**

Valhalla pipeline coastal route passes Broome and Port Hedland.

**OPTIONS TO:**

- Connect to DBP at Karratha
- Connect to the Pilbara Energy Pipeline at Port Hedland
- Pipe to Broome and create market



**COASTAL ROUTE**  
Validated through RFQ for conceptual designs and route selection

**SIZE TARGET**

**KARRATHA**  
(LNG & Domestic Market)



Up to ~600TJ/day

Ullage at existing LNG facilities

**PORT HEDLAND**  
(gas as feedstock, domestic market)



Up to ~400TJ/day

Methanol, urea, ammonia or other gas as a feedstock processes

**BROOME**  
(local loads, small exports)



Up to ~150TJ/day

CNG, Broome, Mining loads

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## **6. Additional Information**

### **6.1 Eligibility of Shareholders**

- (a) The Entitlement Offer is being offered to all Eligible Shareholders only.
- (b) Eligible Shareholders are Shareholders on the Record Date who:
  - (i) are registered as holders of Shares;
  - (ii) have a registered address in Australia or, subject to the restrictions in section 6.2, New Zealand or the United States or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and
  - (iii) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
- (c) By making a payment by BPAY® or, if you are based in New Zealand or the United States, by direct transfer, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

### **6.2 Overseas Shareholders**

This Information Booklet does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this Information Booklet may not be distributed to any person, and such securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### **(a) Notice to investors in New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is renounceable in favour of members of the public.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **(b) Notice to investors in the United States**

The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Entitlement Offer is being made in the United States only to a limited number of shareholders of the Company who are Institutional Accredited Investors. This Information Booklet may be distributed in the United States only by the Company to Shareholders who are Institutional Accredited Investors. In order to participate in the Entitlement Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an Institutional Accredited Investor.

### 6.3 Ineligible Shareholders

- (a) All Shareholders who do not satisfy the criteria to be Eligible Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines.
- (b) The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia, New Zealand and the United States on the Company's share register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.
- (c) The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.
- (d) In accordance with section 615(b)-(c) of the Corporations Act and consistent with *ASIC Regulatory Guide 6: Takeovers: Exceptions to the general prohibition*:
  - (i) the Company will issue to the Nominee the rights to acquire the New Shares that would otherwise be issued to the Ineligible Shareholders; and
  - (ii) the Nominee will sell those rights, and distribute to each of those Ineligible Shareholders their proportion of the net proceeds of the sale (after expenses).
- (e) The Nominee will have the absolute and sole discretion to determine the timing, the price at which the New Shares may be sold and the manner of such sale, which is expected to be on-market on the ASX. The net proceeds above the Offer Price (if any) of the sale will be distributed to Ineligible Shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting costs, including costs of the sale and costs of distributing the proceeds). There is no assurance that the Nominee will be able to sell the New Shares issued pursuant to the Ineligible Shareholders' Entitlements at a price that will result in those shareholders receiving any net proceeds for their Entitlements such that Ineligible Shareholders may receive no value for their Entitlements.
- (f) Neither the Company nor the Nominee will be subject to any liability for failure to sell the New Shares that would have been offered to Ineligible Shareholders or to sell them at a particular price.

### 6.4 Allotment, trading and quotation

- (a) The Company will apply, for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest).
- (b) Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place on 16 March 2023. Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.
- (c) Subject to approval being granted, it is expected that the New Shares allotted under the Entitlement Offer will commence trading on a normal basis on 17 March 2023.

- (d) It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. The Company disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

## **6.5 Reconciliation**

- (a) In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.
- (b) The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.
- (c) The Company also reserves the right to reduce the Entitlement or the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

## **6.6 Continuous disclosure**

- (a) The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.
- (b) The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Shares. That information is available to the public from ASX and can be accessed at [www.asx.com.au](http://www.asx.com.au). Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office.

## **6.7 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made.

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## 7. Definitions and interpretation

### 7.1 Defined terms

In this Information Booklet, the following definitions apply unless the context otherwise requires:

**Applicant** means an Eligible Shareholder who has submitted a valid Application.

**Application** means the lodgement of a completed Entitlement and Acceptance Form or, payment of the relevant Application Monies, by an Eligible Shareholder.

**Application Monies** means the aggregate amount payable for the New Shares applied for by an Eligible Shareholder through BPAY® or, if you are based in New Zealand or the United States, by direct transfer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

**Closing Date** means the day the Entitlement Offer closes, expected to be 5.00pm on 9 March 2023.

**Company** means Black Mountain Energy Ltd (ACN 652 281 868).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended.

**Eligible Shareholder** has the meaning given in section 6.1.

**Entitlement** means the right to subscribe for 2 New Shares for every 3 Shares held by an Eligible Shareholder on the Record Date, pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Information Booklet for Eligible Shareholders.

**Entitlement Offer** means the pro rata renounceable offer to Eligible Shareholders to subscribe for 2 New Shares for every 3 Shares held by an Eligible Shareholder on the Record Date, at the Offer Price.

**Ineligible Shareholder** has the meaning given in section 6.3.

**Information Booklet** means this document.

**Institutional Accredited Investor** means an “institutional accredited investor” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act.

**Investor Presentation** means the presentation to investors released by the Company on the ASX market announcements platform on 20 February 2023, which is incorporated in section 5.

**Lead Manager** means Foster Stockbroking Pty Limited (ACN 088 747 148) (AFSL 223 687).

**Listing Rules** means the official listing rules of ASX.

**New Shares** means Shares to be allotted and issued under the Entitlement Offer, including the Shortfall Shares as the context requires.

**Nominee** means, subject to the receipt of ASIC approval, Foster Stockbroking Pty Limited (ACN 088 747 148) (AFSL 223 687).

**Nominee Mandate** means the mandate dated 17 February 2023 between the Company and the Nominee, to act as nominee for Ineligible Shareholders for the purposes of section 615 of the Corporations Act.

**Offer Price** means \$0.025 per New Share.

**Opening Date** means the day the Entitlement Offer opens, 28 February 2023.

**Record Date** means 5.00pm on 23 February 2023.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automic Pty Ltd (ACN 152 260 814).

**Shareholder** means a holder of Shares.

**Shortfall Shares** means New Shares for which Applications have not been received or accepted by the Closing Date.

**Shortfall Offer** means the right reserved by the Company to place any Shortfall Shares to place the Shortfall Shares as described in sections 2.4 and 2.5.

**US Securities Act** means the US Securities Act of 1933, as amended.

## 7.2 Interpretation

In this Information Booklet, the following rules of interpretation apply unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this Information Booklet have a corresponding meaning;
- (c) a reference to a section or a paragraph is a reference to a section or a paragraph of this Information Booklet;
- (d) a reference to “dollars” or “\$” is to Australian currency;
- (e) a reference to a time of day is a reference to Australian Western Standard Time; and
- (f) words and phrases not specifically defined in this Information Booklet have the meaning given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified.