

ASX Code: HE8

Directors

Philipp Kin

Managing Director

Mark Lichtenberg

Non-Executive Director

John Cathcart

Non-Executive Director

John Kenny

Non-Executive Director

Henko Vos

Non-Executive Director &
Company Secretary

Contact Details

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Letter to Eligible Shareholders

20 March 2025

Dear Shareholder

On 13 March 2025, Helios Energy Ltd ACN 143 932 110 (ASX:HE8) (**Company**) announced that it was conducting a fully underwritten non-renounceable entitlement offer of new shares in the Company (each, a **New Share**) to Eligible Shareholders at an issue price of \$0.007 per New Share to raise approximately \$2.6 million (**Entitlement Offer**).

Eligible Shareholders

Eligible Shareholders are those persons who:

- are registered as a holder of shares in the Company as at 7pm (Sydney time) on Tuesday, 18 March 2025;
- have a registered address on the Company's share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and
- can make (and by submitting their Entitlement and Acceptance Form) will be deemed to have made the representations set out in Section 2.7 of the Offer Booklet.

This letter is to inform you that the Entitlement Offer will open at 9am tomorrow (i.e. at 9am (Sydney time) on 21 March 2025) to you as an Eligible Shareholder and to provide you with instructions on how to obtain a copy of the offer booklet (**Offer Booklet**) for the Entitlement Offer and of your personalised Entitlement and Acceptance Form.

If you have any questions in relation to the Offer, please contact the Company's Company Secretary, Mr Henko Vos via email at henko.vos@nexiaperth.com.au or Ms Geraldine Holland at geraldine.holland@nexiaperth.com.au or +61 8 9463 2463 between 8.30am and 5.00pm (Perth time) Monday to Friday.

Yours faithfully

Henko Vos
Company Secretary



About Helios

Helios Energy Ltd (ACN 143 932 110) (ASX:HE8) is an onshore oil and gas exploration and project development company whose principal activity is the exploration and development of its Presidio Oil and Gas Project located in Presidio County, Texas, USA.

Important information

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) (**U.S. Person**) or in any other jurisdiction in which such an offer would be illegal. The securities to be offered and sold under the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, no New Shares (or any entitlements thereto) may be offered or sold, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person unless they have been registered under the Securities Act (which Helios has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the securities laws of any applicable state or other jurisdiction of the United States. This announcement may not be released or distributed in the United States or to U.S. Persons.

Forward-looking statements

This letter includes certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objective", "outlook", "guidance" or other similar words and include statements regarding plans, strategies and objectives of management, trends and outlook. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Helios' actual results, performance and achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Helios' business and operations in the future. Helios cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct or that Helios' business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this letter speak only as of the date of this letter.



OFFER BOOKLET

ENTITLEMENT OFFER

Helios Energy Ltd

ACN 143 932 110

This Offer Booklet contains details of the Company's recently announced fully underwritten 1 for 7 non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately \$2.6 million

The Offer Price is \$0.007 per New Share

The Entitlement Offer closes at 5pm (Sydney time) on 9 April 2025

NOT FOR DISTRIBUTION TO US WIRE SERVICES OR RELEASE IN THE UNITED STATES

This Offer Booklet is an important document and requires your immediate attention

This Offer Booklet and the accompanying Entitlement and Acceptance Form should be read carefully and in their entirety. If you are in any doubt about what to do, you should consult your independent professional adviser without delay

The Entitlement Offer is being managed and underwritten by Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526 (AFS Licence 337985)

Enquiries

Before deciding to participate in the Entitlement Offer, Eligible Shareholders should seek advice from their stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser to determine the extent to which an investment in the Company is suitable for them.

If you have any questions on how to:

- (a) complete the entitlement and acceptance form accompanying this Offer Booklet (**Entitlement and Acceptance Form**¹);
- (b) exercise your pro rata entitlement to participate in the Entitlement Offer (your **Entitlement**²), either in full or in part; or
- (c) exercise your Entitlement in full and subscribe for New Shares in excess of your Entitlement (**Additional New Shares**³),

please see Sections 2.1 to 2.4 or call the Company Secretary at + 61 8 9463 2463 from 8.30am to 5.00pm Monday to Friday (Perth time).

Website

For further information in relation to the Company, please visit the Company's website at www.heliosenergy ltd.com or peruse the Company's continuous and periodic disclosures given to and released on ASX (which are available at www.asx.com.au).

Definitions

Unless defined in the body of this Offer Booklet, (otherwise undefined) capitalised words and terms used in this Offer Booklet have the meanings given to them in the Glossary.

¹ Eligible Shareholders who have elected to receive documents issued by the Company in electronic form will receive an email which will include a link to this Offer Booklet and to their personalised Entitlement and Acceptance Form.

² Your Entitlement to New Shares under the Entitlement Offer is shown on your personalised Entitlement and Acceptance Form.

³ A reference in this Offer Booklet to "**New Shares**" includes, as the context requires, a reference to "**Additional New Shares**".

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet is dated 20 March 2025 and the contracts which arise on the acceptance of applications received under it are governed by the laws applicable in New South Wales, Australia and, accordingly, each applicant submits to the non-exclusive jurisdiction of the courts of NSW in this regard. Neither ASX nor ASIC take any responsibility for the contents of this Offer Booklet. Cooling-off rights do not apply to an investment in New Shares. This means that applicants cannot withdraw their application for New Shares once it has been received by the Company.

The Entitlement Offer is not being conducted under an Australian prospectus or product disclosure statement (PDS). Instead, the Company is relying on certain provisions in Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) that allow the Company to conduct the Entitlement Offer in Australia without a prospectus or PDS following the provision of certain confirmations to the market. As a result, it is important for Eligible Shareholders to read and understand the information on the Company and in relation to the Entitlement Offer made publicly available by the Company, prior to accepting some or all of their Entitlement or accepting all of their Entitlement and applying for Additional New Shares. In particular, Eligible Shareholders should refer to and consider the information in this Offer Booklet and in the Company's continuous and periodic disclosures made available on ASX at www.asx.com.au (ASX:HE8).

This Offer Booklet contains "forward-looking statements". Forward-looking statements include those statements that contain words such as: "anticipate", "believe", "expect", "forecast", "likely", "intend", "should", "could", "may", "plan", "aim", "will" and other similarly "forward-looking" words. Any forward-looking statement, opinion and/or estimate included in this Offer Booklet is based on assumptions and contingencies which are subject to change without notice and which involve (or are dependent upon the non-occurrence of) various known risks and uncertainties (such as those described in Schedule 1) and any number of unknown risks and uncertainties. Many of these risks and uncertainties are beyond the control of the Company.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in any forward-looking statement. Readers are cautioned therefore not to place undue reliance on any forward-looking statement and, except as required by law or regulation, the Company assumes no obligation to

update any forward-looking statement. Furthermore, and to the maximum extent permitted by law, the Company and the Lead Manager and each of their respective affiliates, directors, officers, employees, agents, consultants and advisers (i) expressly disclaim all responsibility and any liability (including in negligence) for any forward-looking statement and (ii) make no representation or warranty, whether express or implied, as to the accuracy or reliability (including the likelihood of fulfilment) of any forward-looking statement.

The information in this Offer Booklet does not include or constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit an offer of New Shares, in any jurisdiction other than Australia and New Zealand. Furthermore, this Offer Booklet must not be distributed or released in the United States. This Offer Booklet (and any material accompanying it) does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States. Entitlements must not be acquired and/or taken up by persons in the United States and the New Shares must 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 the securities laws of any applicable US State or other jurisdiction.

INDICATIVE TIMETABLE FOR THE ENTITLEMENT OFFER

Announcement of Entitlement Offer	13 March 2025
Ex Date	17 March 2025
Record Date	7pm on 18 March 2025
Offer Booklet sent to Eligible Shareholders	20 March 2025
Opening Date	21 March 2025
Last day to extend the Closing Date	4 April 2025
Closing Date⁴	5pm on 9 April 2025
Announce results of Entitlement Offer	14 April 2025
Issue Date⁵	16 April 2025
Trading of New Shares begins⁶	17 April 2025

The above referred times and dates for the Entitlement Offer are indicative only. The Company, in consultation with the Lead Manager, reserves the right, subject to the Corporations Act and the Listing Rules to change the times and dates of the Entitlement Offer and to accept late applications (either generally, or in particular cases) without notice. Any extension of the Closing Date will likely have a consequential impact on the subsequent indicative dates (including the Issue Date) for the Entitlement Offer. A reference to a time and date above and in the remainder of this Offer Booklet is a reference to the time and date in Sydney, New South Wales.

⁴ It is expected that the New Shares will begin trading (on a deferred settlement basis) on ASX from market open on the Trading Day immediately after the Closing Date.

⁵ It is expected that the New Shares will continue to trade (on a deferred settlement basis) on ASX until market close on the Issue Date.

⁶ It is expected that the New Shares will begin trading (on a normal "T+2" settlement basis) on ASX from market open on the Trading Day immediately after the Issue Date.

LETTER TO SHAREHOLDERS

Introduction

The directors (**Directors**) of Helios Energy Ltd ACN 143 932 110 (ASX:HE8) (**Company**) are pleased to offer Eligible Shareholders (defined below) the opportunity to participate in the Company's recently announced fully underwritten non-renounceable entitlement offer of New Shares as set out in this offer booklet (**Offer Booklet**).

The Entitlement Offer is being made to all Shareholders who are, as at 7pm (Sydney time) on 18 March 2025 (**Record Date**), registered with an address in Australia or New Zealand and who can make (and by submitting their Entitlement and Acceptance Form will be deemed by the Company to have made) the representations set out in Section 2.7 (each, an **Eligible Shareholder**).

The Entitlement Offer follows the Company's recently announced institutional placement pursuant to which the Company procured firm commitments from a number of sophisticated and professional investors to subscribe for a total of 142,857,142 New Shares at an issue price of \$0.007 per share to raise gross proceeds of \$1 million (**Placement** and, together with the Entitlement Offer, the **Offer**)⁷.

Key details

The Company is inviting Eligible Shareholders to participate in the Company's recently announced fully underwritten non-renounceable entitlement offer of new fully paid ordinary shares in the Company (each, a **New Share**) on the offer ratio of 1 New Share for every 7 existing shares in the Company (each, a **Share**) held on the Record Date (**Entitlement Offer**).

The offer price under the Entitlement Offer is \$0.007 per New Share (**Offer Price**)⁸.

Use of funds

The purpose of the Entitlement Offer is to raise gross proceeds of approximately \$2.6 million to be used by the Company:

- (a) to fund licensing renewals;
- (b) to fund technical work on the Presidio Project;
- (c) to pay certain existing creditors; and
- (d) for general working capital (including to pay the costs of the Offer) purposes.

Please see the Company's investor presentation released on ASX on 13 March 2025 (**Investor Presentation**) and Section 1.3 for further information in relation to the Company's proposed use of funds.

⁷ The Placement is expected to be completed on or about 24 March 2025. The Lead Manager managed the Placement on behalf of the Company.

⁸ The Offer Price (i.e. of \$0.007) per New Share payable by Eligible Shareholders under the Entitlement Offer is the same as the issue price per New Share paid by institutional investors under the Placement.

Additional New Shares

An Eligible Shareholder (other than in a limited number of circumstances – as to which, please see below) may apply for “**Additional New Shares**” (i.e. New Shares in excess of their Entitlement) under the Entitlement Offer.

Related Parties (and Associates of Related Parties) of the Company and substantial⁹ Shareholders (and Associates of substantial Shareholders) are not permitted to apply for Additional New Shares under the Entitlement Offer.

The allocation of Additional New Shares will be subject to the availability of Additional New Shares and the Company’s and the Lead Manager’s absolute discretion. However, the Company and the Lead Manager intend to allocate any Additional New Shares to existing Eligible Shareholders who apply for them in priority to the allocation of any shortfall to the Lead Manager (or the sub-underwriters).

In the event the Entitlement Offer is oversubscribed, the Company intends, subject to the requirements of the Corporations Act and the Listing Rules (and any other applicable law or regulation), to scale-back applications for Additional New Shares received from Eligible Shareholders in proportion to their proportionate interest in Shares as at the Record Date.

Director commitments

The Company’s Non-Executive Director, Mr Mark Lochtenberg, has committed to take up his Entitlement (equivalent to 12,173,607 New Shares) in full.

Shortfall

New Shares that correspond to the number of Entitlements not taken up under the Entitlement Offer will form part of the “shortfall” (**Shortfall**)¹⁰.

Lead Manager

The Company has appointed Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526 (AFS Licence 337985) (**Lead Manager**) to manage and fully underwrite the Entitlement Offer.

Underwriting arrangements

The Entitlement Offer is being managed and underwritten by the Lead Manager in accordance with the terms of an underwriting agreement entered into by the Company and the Lead Manager on 11 March 2025 (**Underwriting Agreement**). While the Placement was also managed by the Lead Manager, it was not underwritten.

Under the Underwriting Agreement, the Lead Manager is required to subscribe for, or procure subscriptions for, up to a total of \$2.6 million (i.e. the entire amount sought by the Company under the Entitlement Offer) worth of any Shortfall (**Underwritten Amount**).

⁹ A “substantial” Shareholder is a holder who, together with its Associates, has a Relevant Interest in at least 5% of the Shares.

¹⁰ Said differently, the “Shortfall” (if any) will be equal to the total number of Entitlements issued under the Entitlement Offer (which number includes the number of entitlements that would have been issued to Ineligible Shareholders had they been eligible to participate in the Entitlement Offer) less the sum of the total number of Entitlements that are exercised and the total number of Additional New Shares that are applied for by (and issued to) Eligible Shareholders.

The above referred underwriting arrangements mean that any Shortfall up to and including the Underwritten Amount will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Lead Manager in accordance with the terms of that Agreement.

Please see Schedule 3 for a summary of the material terms of the Underwriting Agreement.

A summary of the fees payable to the Lead Manager are set out in Section 3.6.

Sub-underwriting commitments

In addition to the underwriting arrangements and Mr Lochtenberg's commitment to take-up his full Entitlement detailed above, the Company is pleased to advise that Mr Lochtenberg has also committed to subscribe for \$100,000 worth of any Shortfall. The Company's Managing Director, Mr Philipp Kin and Non-Executive Director, Mr John Cathcart have each also committed to subscribe for up to \$50,000 (i.e. \$100,000 in total) worth of any Shortfall.

Please see Sections 1.6 and 3.5 for further detail.

No Entitlements trading

Since the Entitlement Offer is "non-renounceable", Entitlements are not tradeable on ASX or otherwise transferable by or between Eligible Shareholders. This means that you will not receive any value for any Entitlements that you do not take up.

Ineligible Shareholders

As required by Listing Rule 7.7.1(b), the Company will advise Ineligible Shareholders of the Entitlement Offer and of their inability to participate.

Concluding remarks

Further information in relation to the Entitlement Offer and its expected impact on the Company is detailed in this Offer Booklet.

On behalf of the Directors, I invite Eligible Shareholders to consider this investment opportunity carefully¹¹ and, once again, thank Shareholders for their ongoing support.

Yours sincerely



Philipp Kin
Managing Director

About Helios Energy Ltd

Helios Energy Ltd ACN 143 932 110 (ASX:HE8) is an onshore oil and gas exploration and project development company whose principal activity is the exploration and development of its Presidio Oil and Gas Project located in Presidio County, Texas, USA.

¹¹ In particular, the Directors encourage you to consider the risks associated with an investment in the Company (some of which are set out in Schedule 1) before deciding whether to participate in the Entitlement Offer.

1. DETAILS OF THE ENTITLEMENT OFFER

1.1 The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share (at the Offer Price of \$0.007 per New Share) for every 7 Shares held at 7pm (Sydney time) on the Record Date. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Details on how to accept your Entitlement (or part of it) and how to accept all of your Entitlement and apply for Additional New Shares are set out in Section 2. This Offer Booklet will be sent to Eligible Shareholders together with an Entitlement and Acceptance Form.

1.2 Size of the Entitlement Offer

The table below sets out the expected impact of the Offer (and each component of it) on the Company's capital structure noting that the New Shares the subject of the Placement do not carry an entitlement to participate in the Entitlement Offer (i.e. because they will be issued after the Record Date).

Total number of Shares on issue immediately prior to the Placement	2,604,049,443
Total number of Shares to be issued on completion of the Placement	142,857,142
Total number of Shares on issue immediately following completion of the Placement	2,746,906,585
Total number of New Shares to be issued on completion of the Entitlement Offer	372,007,063
Total number of Shares on issue immediately following completion of the Entitlement Offer	3,118,913,648

The Company also has a total 15,000,000 options (each, with an exercise price of \$0.255 and expiry date of 31 December 2025) and 691,325 convertible notes (the terms of which are set out in detail in the Company's ASX release dated 7 February 2025¹²) on issue.

Please see Section 3.6 for details in relation to the 41,000,000 Lead Manager Options the Company has agreed to issue the Lead Manager on completion of the Entitlement Offer (i.e. provided that the Entitlement Offer is successfully completed in accordance with its terms).

¹² For further information in relation to the convertible notes, please see the Company's ASX release available at: <https://announcements.asx.com.au/asxpdf/20250207/pdf/06f963yznmh0s6.pdf>

1.3 Use of funds raised under the Entitlement Offer

The Company is intending to use the gross proceeds raised under the Entitlement Offer (together with the gross proceeds raised under the Placement) for the following purposes and in the following proportions¹³:

Use of funds raised	Amount	Percentage
To fund licencing renewals for the Presidio Project	\$600,000	16%
To fund further technical work on the Presidio Project	\$1,000,000	27%
For payments to certain creditors	\$1,000,000	27%
For general working capital/pay costs of the Entitlement Offer	\$1,000,000	30%
Total	<u>\$3,600,000</u>	<u>100%</u>

1.4 Pro forma balance sheet

The pro forma balance sheet set out in Schedule 2 shows the expected impact of each component of the Offer on the Company to give Eligible Shareholders information on the Company's pro forma assets and liabilities.

The pro forma balance sheet is presented in an abbreviated form, insofar as it does not include all the disclosures required by Australian (or international) Accounting Standards applicable to annual financial statements.

The pro forma balance sheet is based on the Company's financial statements for the half year ended 31 December 2024 and has been prepared on the basis of the Company's normal accounting policies.

The pro forma balance sheet is not intended to represent the Company's actual financial position on completion of the Entitlement Offer and should be read together with the Company's periodic and continuous disclosures.

1.5 No Entitlements trading

Since the Entitlement Offer has been structured as a "non-renounceable" offer, Entitlements are not tradeable on ASX or otherwise transferable by or between Eligible Shareholders. This means that Eligible Shareholders will not receive any value for any Entitlements that they do not take up.

¹³ Eligible Shareholders should note that the estimated expenditures referred to in the table in Section 1.3 are subject to modification by the Company depending on a number of factors.

1.6 Potential effect on the control of the Company

Given that:

- (a) the Offer Price is set at discount to the 30-day VWAP for Shares traded on ASX and the amount sought by the Company under the Entitlement Offer is relatively modest (i.e. relative to its market capitalisation);
- (b) the underwriting arrangements in respect of the Entitlement Offer do not involve any substantial Shareholders (or any Associates of any substantial Shareholders);
- (c) it a term of the Entitlement Offer that Eligible Shareholders (other than Related Parties of the Company or substantial Shareholders (or Associates of either such person)) can apply for Additional New Shares; and
- (d) the Company will allocate Additional New Shares to existing Eligible Shareholders who apply for them in priority to the allocation of any Shortfall to the Lead Manager,

the Company does not expect the Entitlement Offer to have a material (or adverse) impact on the “control” (as that term is defined in section 50AA of the Corporations Act) of the Company.

In order to demonstrate the Company’s expectation that the Entitlement Offer is unlikely to have a material (or adverse) impact on the control of the Company, the table below shows the impact on the Company if no Eligible Shareholder (i.e. other than Mr Lochtenberg who has committed to take-up his Entitlement in full) participates in the Entitlement Offer (the consequence of which is that the Lead Manager will be required to subscribe or procure subscriptions for the entire Underwritten Amount, less Mr Lochtenberg’s commitment to take-up his Entitlement¹⁴).

¹⁴ In such circumstances (i.e. in the “worst-case” scenario that no Eligible Shareholder applies for any New Shares under the Entitlement Offer), it is expected that the Lead Manager will allocate \$100,000 worth of the Shortfall (equivalent to 14,285,714 New Shares) to Mr Mark Lochtenberg, \$50,000 worth of the Shortfall (equivalent to 7,142,857 New Shares) to Mr Philipp Kin and \$50,000 worth of the Shortfall (equivalent to 7,142,857 New Shares) to Mr John Cathcart in each case pursuant to the sub-underwriting arrangements agreed between the Lead Manager and each of Messrs Lochtenberg, Kin and Cathcart. For the purposes of the table shown in Section 1.6, the aggregate number of New Shares issued to Messrs Lochtenberg, Kin and Cathcart in such circumstances has have been recorded in the “All other holders” row. The Lead Manager has also entered into sub-underwriting arrangements with other investors, none of whom are Related Parties (or an Associate of a Related Party) of the Company. For completeness therefore, Eligible Shareholders should note that it is possible in the circumstances where there is a very considerable Shortfall that one of the third-party sub-underwriters procured by the Lead Manager may acquire up to approximately 6% of the Company’s issued Share capital on completion of the Entitlement Offer. In such an eventuality, the relevant third-party sub-underwriter would be required to disclose its Relevant Interest in the Company’s shares in accordance with the substantial holder disclosure provisions in Chapter 6C.1 of the Corporations Act.

Name of Shareholder	Relevant Interest (as at date of Offer Booklet)	Relevant Interest (as a % of existing Shares ¹⁵)	Maximum New Shares that may be acquired	Relevant Interest (on completion of EO)	Relevant Interest (as a % on completion ¹⁶)	Change (as a %)
Mr Hui Ye ¹⁷	500,576,359	19.2%	Nil	500,576,359	16.0%	-3.2%
Mr Ping He ¹⁸	198,928,072	7.6%	Nil	198,928,072	6.4%	-1.2%
Mr Wentao Zhao	179,282,031	6.9%	Nil	179,282,031	5.7%	-1.1%
Citicorp Nominees	148,672,116	5.7%	Nil	148,672,116	4.8%	-0.9%
Lead Manager ¹⁹	18,228,558	0.7%	331,262,028	349,490,586	11.2%	10.5%
All other holders	1,558,362,307	59.8%	40,745,035 ²⁰	1,599,107,342	51.3%	-8.6%
Placement	N/A	N/A	N/A	142,857,142	4.6%	4.6%
Total	2,604,049,443	100%	372,007,063	3,118,913,648	100%	N/A

Note: The Company considers the occurrence of the above “worst-case” scenario to be **relatively unlikely**.

Shareholders should note that if all Eligible Shareholders subscribe for their Entitlement in full, the proportionate interest of all Eligible Shareholders on completion of the Entitlement Offer will not change materially (and the Lead Manager will not be required to subscribe for any Shortfall).

Shareholders should also note that since the Lead Manager has entered into sub-underwriting arrangements with various third-party sub-underwriters (none of whom are Related Parties (or an Associate of a Related Party) of the Company), it is expected that the Lead Manager’s post-Entitlement Offer Relevant Interest will be considerably less than is shown in the table above.

¹⁵ These Relevant Interests (expressed as a percentage) exclude the proportionate impact of the issue of the 142,857,142 New Shares the subject of the Placement.

¹⁶ These Relevant Interests (expressed as a percentage) include the proportionate impact of the issue of the 142,857,142 New Shares the subject of the Placement.

¹⁷ Mr Ye’s Relevant Interest is comprised of his direct holding, plus the holdings of his Associates (including Notable Pioneer Limited).

¹⁸ Mr He’s Relevant Interest is comprised of his direct holding, plus the holdings of his Associates (including PAA Energy LLC and Antlers Energy Corporation).

¹⁹ The Lead Manager’s Relevant Interest is comprised of its direct holding, plus the direct holdings of its Associates. While the Lead Manager may acquire this number of New Shares under the Entitlement Offer, it is unlikely to do so given the existence of the various third-party sub-underwriting arrangements.

²⁰ The 12,173,607 New Shares to be issued to Mr Lochtenberg as a consequence of his commitment to take-up his Entitlement in full, is included in the 40,745,035 Shares recorded in the “All other holders” row.

1.7 Entitlement Offer pursuant to section 708AA of the Corporations Act

The Entitlement Offer is being conducted by the Company in accordance with section 708AA of the Corporations Act which allows the Company to make the Entitlement Offer in Australia without a prospectus provided certain statutory conditions are satisfied.

This Offer Booklet is not a prospectus under the Corporations Act (or under any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**) (or with any other Australian or foreign regulatory authority).

The Company is a “disclosing entity” for the purpose of section 111AC of the Corporations Act and as such it is subject to financial reporting and continuous disclosure obligations under Chapter 2M and Chapter 6CA of the Corporations Act, respectively and under the listing rules of ASX (**Listing Rules**).

The financial reporting and continuous disclosure obligations referred to in the preceding paragraph require the Company to lodge financial statements and other reports periodically and to notify ASX (in the form of an announcement) of information about specified events and matters as they arise in each case to allow ASX to disseminate that information to market participants.

In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions set out in Listing Rule 3.1A) to notify ASX immediately once it becomes aware of any information concerning the Company which a “reasonable person” would expect to have a material effect on the price or value of its securities.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act (which allows the Company to conduct the Entitlement Offer without a prospectus), the Company is required to lodge a “cleansing notice” under section 708AA(2)(f) of the Corporations Act with ASX. The cleansing notice is required, amongst other things, to:

- (a) set out any information that has been excluded from disclosure under the Listing Rules that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares;
- (b) certify to the market that the Company has complied with the financial reporting and continuous disclosure provisions of the Corporations Act; and
- (c) state the potential effect the issue of the New Shares the subject of the Entitlement Offer will have on the control of the Company and the consequences of that effect.

The Company lodged a cleansing notice in relation to the Entitlement Offer with ASX on 13 March 2025.

1.8 Issue and quotation of New Shares

It is expected that the Company will issue (and will apply for quotation on ASX of) the New Shares the subject of the Entitlement Offer on 16 April 2025. Accordingly, it is expected that normal settlement trading of the New Shares will, subject to ASX consent, begin from market open on 17 April 2025.

The fact that ASX may quote the New Shares the subject of the Entitlement Offer should not be taken in any way as an indication of the merits of the Company or of the investment opportunity to which the Entitlement Offer relates.

If the Company's application for quotation of the New Shares is not approved by ASX, the Company will not issue any New Shares under the Entitlement Offer and all application monies received from Eligible Shareholders will be refunded (without interest).

The Company, the Lead Manager and the Share Registry and each of their respective Related Bodies Corporate, affiliates, directors, officers, employees, agents, consultants and advisers will have no responsibility and disclaim all liability to the maximum extent permitted by law to persons who trade New Shares (and, if applicable, Additional New Shares) they believe have been issued to them before they receive an updated holding statement, whether on the basis of a confirmation provided by the Company or the Share Registry or otherwise or who trade or purport to trade New Shares (and/or, if applicable, Additional New Shares) in error or which they do not hold or are not entitled to hold. If you are in any doubt in relation to these matters, you should seek professional advice.

1.9 Eligible Shareholders

The offer set out in this Offer Booklet is available to all Shareholders who are, as at 7pm (Sydney time) on the Record Date of 18 March 2025, registered (in accordance with the records of Computershare Investor Services Pty Ltd (**Share Registry**)) with an address in Australia or New Zealand and who can (and do) make the representations set out in Section 2.7.

Shareholders registered with an address outside of Australia or New Zealand or who are unable to make the representations set out in Section 2.7 are not "Eligible Shareholders" (i.e. they are "**Ineligible Shareholders**") and therefore cannot participate in the Entitlement Offer. This Offer Booklet and an Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

Australia

The Entitlement Offer is being conducted by the Company in Australia in accordance with section 708AA of the Corporations Act.

New Zealand

The New Shares the subject of the Entitlement Offer are not being offered to the public in New Zealand other than to existing Shareholders with a registered address in New Zealand to whom the offer for issue of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Offer 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 document is not a product disclosure statement under New Zealand law and is not required to, and therefore may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Ineligible Shareholders

In accordance with Listing Rule 7.7.1 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Entitlement Offer to any Shareholder with a registered address outside Australia or New Zealand. Accordingly, the Entitlement Offer is not being extended to, and no Entitlements or New Shares will be issued to, Shareholders who have a registered address outside of Australia or New Zealand. The Company will send details of the Entitlement Offer to each Ineligible Shareholder and will advise them that they will not be entitled to participate in the Entitlement Offer²¹.

1.10 Overseas Shareholders

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the Entitlements or New Shares, in any jurisdiction. This Offer Booklet (and any material accompanying it) must not be distributed or released in the United States.

This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities 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. The Entitlements may not be acquired and/or taken up by persons in the United States and the New Shares 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.

1.11 Discretion

The Company may however, in its absolute discretion, make offers to certain Shareholders in jurisdictions other than those in Australia and New Zealand (and if it does so will only offer those Shareholders such number of New Shares that is equivalent to the entitlement to New Shares under the Entitlement Offer that those Shareholders would have received had they been eligible to participate in the Entitlement Offer (i.e. had they been registered in either Australia or New Zealand)) provided that the relevant Shareholder is able to receive such an offer without any lodgement, disclosure document or other legal formality in the jurisdiction in which they reside.

²¹ Please note that the Company reserves the right to reject any application for New Shares that it believes is from an Ineligible Shareholder.

1.12 Nominee holders

Shareholders who are nominees, trustees or custodians are advised to seek advice as to whether they may participate in the Entitlement Offer on behalf of their beneficial holders. It is the responsibility of any such Shareholder to ensure compliance with any laws of a country relevant to the particular application. Nominees and custodians may not distribute this Offer Booklet and may not permit any beneficial Shareholder to participate in the Entitlement Offer, in any country outside of Australia and New Zealand except with the consent of the Company.

In the event that a nominee, trustee or custodian holds Shares on behalf of more than one Eligible (Beneficial) Shareholder, the nominee, trustee or custodian may only apply for Additional New Shares on behalf of an Eligible (Beneficial) Shareholder on whose behalf they applied for their full Entitlement to be taken up (i.e. unless the relevant Eligible (Beneficial) Shareholder is a Related Party (or Associate of a Related Party) of the Company or is a substantial (i.e. 5% or greater) holder (or an Associate of a substantial holder) of the Company's shares, in which case they may not apply for any Additional New Shares).

1.13 Rights and liability attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Details of the rights and liabilities attaching to Shares are set out in the Company's constitution a copy of which is available by contacting the Company.

1.14 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder and to send corporate communications to you as a Shareholder and carry out administration. Please contact the Share Registry if you wish to access, correct, and update the personal information that the Company holds about you. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the Listing Rules.

You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to process your application.

2. APPLYING FOR NEW SHARES

2.1 Your choices

If you are an Eligible Shareholder, you may:

- (a) exercise part of your Entitlement (see Section 2.2);
- (b) exercise your Entitlement in full (see Section 2.3);
- (c) exercise your Entitlement in full and apply for Additional New Shares (see Section 2.4); or
- (d) do nothing (see Section 2.5).

Eligible Shareholders who have elected to receive documents issued by the Company in electronic form will receive an email which will include a link to this Offer Booklet and to their personalised Entitlement and Acceptance Form. All other Eligible Shareholders will be sent a letter which will include details explaining how they may access these materials and apply for New Shares under the Entitlement Offer online.

A copy of the Entitlement and Acceptance Form is also available by contacting the Company Secretary at +61 8 9463 2463.

2.2 Exercise part of your Entitlement

If you wish to exercise part of your Entitlement (and therefore to allow the unexercised balance of your Entitlement to lapse²²) complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form (including by specifying the number of New Shares that you wish to subscribe for) and pay the corresponding application monies electronically (i.e. either by BPAY® or by Electronic Funds Transfer (**EFT**)) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

2.3 Exercise your Entitlement in full

If you wish to exercise your Entitlement in full, complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form and pay the application monies for the full amount shown on your form electronically (i.e. either by BPAY® or by EFT) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

²² Your interest in the Company will be diluted in proportion with the extent of your Entitlement that you allow to lapse. You will not receive any value for any lapsed Entitlements.

2.4 Exercise your Entitlement in full and apply for Additional New Shares

If you wish to exercise your Entitlement in full and apply for Additional New Shares²³, complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form (including by specifying the number of Additional New Shares that you also wish to subscribe for) and pay the corresponding application monies electronically (i.e. either by BPAY® or by EFT) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

2.5 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action²⁴.

2.6 Payment for New Shares

The Offer Price for each New Share subscribed for is payable on application. Application monies received will be held on trust for applicants until the issue of the New Shares.

Any application monies received for more than your final allocation of New Shares will be refunded (except where the amount is less than \$2.00, in which case it will be retained) by the Company on or about 17 April 2025.

No interest will be paid by the Company on any application monies received or refunded. Interest earned on application monies (if any) will be for the benefit of the Company.

Paying your application monies

Please follow the payment instructions on the Entitlement and Acceptance Form carefully.

Applicants using BPAY® or who pay their application monies by EFT should be aware of their financial institution's cut-off time (i.e. the time before which payment must be made to enable it to be processed) and ensure that the application monies are received by 5pm (Sydney time) on the Closing Date.

Regardless of the number of New Shares (and, if applicable Additional New Shares) specified on your Entitlement and Acceptance Form, you will be deemed to have subscribed for such number of New Shares (and, if applicable Additional New Shares) as your application monies will pay for in full.

The Company will not be accepting payment by cheque, cash or money order.

²³ If you are a Related Party of the Company or a substantial holder of the Company's shares (or an Associate of either such person), your application for Additional New Shares will be rejected.

²⁴ Your proportionate interest in the Company will be diluted in proportion to the extent of your lapsed Entitlement. You will not receive any value for any lapsed Entitlements.

2.7 Entitlement and Acceptance Form is binding

A submitted Entitlement and Acceptance Form will constitute a legally binding commitment to subscribe for New Shares (and, if applicable, Additional New Shares) under the Entitlement Offer²⁵. By submitting an Entitlement and Acceptance Form, you will be deemed by the Company to have represented that you (and any person on whose behalf you are acting):

- (a) have full legal capacity and power to perform all of your obligations under the Entitlement and Acceptance Form;
- (b) agree to provide (or direct your nominee or custodian to provide) any requested substantiation of your Shareholding as at the Record Date;
- (c) have read and understood this Offer Booklet and agree to be bound by the terms of the Entitlement Offer, the Entitlement and Acceptance Form and the Company's constitution;
- (d) authorise the Company to register you as the holder of the number of New Shares issued to you on completion of the Entitlement Offer;
- (e) acknowledge that once the Company receives your Entitlement and Acceptance Form or any application monies, you may not withdraw your application or funds provided except as allowed by law;
- (f) agree to subscribe for and be issued with up to the number of New Shares specified by you in the Entitlement and Acceptance Form or for which you have submitted payment of any application monies;
- (g) authorise the Company, the Lead Manager and the Share Registry and any of their respective officers or agents to do anything on your behalf necessary to allow the New Shares to be issued to you;
- (h) declare that you were the registered holder of the number of Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Offer Booklet and your 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;
- (j) acknowledge that an investment in the Company is speculative and involves many risks (many of which are outside of the control of the Company and the Directors) and that any such investment may result in the loss of some or all of your invested capital;

²⁵ If the Entitlement and Acceptance Form is not completed correctly, it may (but need not necessarily be) still be treated by the Company as a valid application.

- (k) acknowledge that neither the Company, the Lead Manager nor any of their respective Related Bodies Corporate, affiliates, directors, officers, employees, agents, consultants or advisers guarantees the performance of the Company (or of the New Shares) or the repayment of capital;
- (l) authorise the Company (or any person acting on its behalf) to correct any minor error in your Entitlement and Acceptance Form and, furthermore, you acknowledge that the Company's corrections, amendments, decisions and/or discretions in this regard are final and binding on you;
- (m) acknowledge that the Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed, is not accompanied by the correct application monies or that is received after the Closing Date;
- (n) are not in the United States and/or are not otherwise a person (such as a "US person") to whom it would be illegal to make an issue offer of or to issue New Shares (and, if applicable Additional New Shares) under any applicable laws and regulations;
- (o) represent and warrant that you are and that you are eligible to participate in the Entitlement Offer as an Eligible Shareholder and that there has been no (and will not be any) breach of any applicable laws or regulatory requirements in relation to you or your application;
- (p) acknowledge that none of the Entitlements and/or New Shares have been, nor will be, registered under the US Securities Act (or the securities laws of any State or other jurisdiction in the US) and accordingly, the Entitlements and/or New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- (q) undertake that if in the future you decide to sell your New Shares on ASX that you will only do so in regular way transactions where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

3. GENERAL INFORMATION

3.1 Risks

An investment in the New Shares the subject of the Entitlement Offer should be regarded as a speculative investment. Accordingly, Eligible Shareholders who are considering whether to participate in the Entitlement Offer should (i) carefully consider all of the disclosures made by the Company (which are available at www.asx.com.au) and the risks associated with any investment in the Company (some of which are described below and in Schedule 1), (ii) carefully consider the merits of such an investment in the context of their individual risk profile, investment objectives and financial circumstances and (iii) consult their stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser (and do so before deciding whether to participate in the Entitlement Offer).

Eligible Shareholders should also be aware that there are many risks associated with investment in the securities of companies listed on a stock exchange. In almost all cases, the value of listed securities can be expected to fluctuate (meaning, in the Company's case, that the prevailing price of Shares on ASX may be higher or lower than the Offer Price) depending on various factors including the general condition of the local economy, general worldwide economic and political (including geopolitical) conditions, changes in government policies, taxation and regulatory changes, investor sentiment, movements in interest rates, industrial disruption, environmental incidents and natural disasters and many other factors any of which may affect the listed company's financial performance and condition and/or the price or value of its securities²⁶.

In deciding whether to participate in the Entitlement Offer, the Directors recommend that Eligible Shareholders carefully consider the risk factors set out below and in Schedule 1.

3.2 Licence breaches

The Company is currently working with the GLO in relation to the prompt resolution of a number of breaches (each of which the Company considers to be of a generally minor and easily resolvable nature) of various licence requirements and permitting conditions relating to certain parts of the Presidio Project which are subject to GLO oversight. Based on preliminary feedback received from the GLO in response to the Company's proposed rectification plans, the Company is confident (but cannot guarantee) that these breaches will be satisfactorily resolved before the end of the March 2025 quarter.

3.3 Litigation

The Company (and its US-based subsidiaries) are currently subject to legal action in Texas following allegations that it (or the relevant US-based subsidiary) caused damage to the plaintiff's land due to an oil spill and as a result of the unauthorised construction of an access road. The sum claimed by the plaintiff is up to US\$2.0 million. The Company intends to defend this matter on the basis that it believes that it (or the relevant US-based subsidiary) has already adequately remediated the land allegedly damaged and that the construction of the access road was in fact properly authorised by the plaintiff.

²⁶ In the case of the Company, most (if not all) of these variables are beyond the control of the Company and the Directors.

3.4 Tax consideration for investors

The Directors do not consider it appropriate to give advice regarding the taxation consequences of subscribing for (or acquiring) any of the securities the subject of the Entitlement Offer. Furthermore, none of the Company, its Directors or its advisers accept any responsibility or liability for any taxation consequences applicable to an investment in the New Shares (and, if applicable, an investment in Additional New Shares) and as such the Directors recommend that all prospective investors consult their own tax advisers before participating in the Entitlement Offer.

3.5 Commitment fees

No commitment or sub-underwriting fees are payable by the Company or the Lead Manager to Messrs Mark Lichtenberg, Philipp Kin or John Cathcart in connection with their respective commitments under the Entitlement Offer.

3.6 Lead Manager

The Lead Manager has agreed to manage and underwrite the Entitlement Offer in accordance with the terms of the Underwriting Agreement. Under the Underwriting Agreement, the Lead Manager is required to subscribe or procure subscriptions for any Shortfall up to the Underwritten Amount.

For the provision of these management and underwriting services, the Company has agreed to pay the Lead Manager the following:

- (a) a management fee of 2% of the total amount raised under the Entitlement Offer;
- (b) an underwriting fee of 4% of the total amount raised under the Entitlement Offer; and
- (c) 41,000,000 options, each of which is exercisable for \$0.02 at any time on or before the third anniversary of the date of their issue (**Lead Manager Options**).

Please see Schedule 3 for a summary of the material terms of the Underwriting Agreement.

3.7 Responsibility for this Offer Booklet

No party other than the Company has authorised or caused the issue of this Offer Booklet or takes any responsibility for, or makes or gives any statements, representations, warranties or undertakings in, this Offer Booklet. No person is authorised to give any information, or to make any representation in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information that is not in this Offer Booklet may not be relied on as having been authorised by the Company or by any of its Related Bodies Corporate, affiliates, directors, officers, employees, agents, consultants or advisers.

Except as required by law, and only to the extent so required, none of the Company, the Lead Manager or any of their respective Related Bodies Corporate, affiliates, directors, officers, employees, agents, consultants or advisers warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet.

3.8 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares (or, if applicable, to an investment in Additional New Shares). This means that applicants cannot withdraw their application for New Shares (and, if applicable, for Additional New Shares) once it has been received by the Company.

3.9 No brokerage or stamp duty

No brokerage or stamp duty is payable by Eligible Shareholders who participate in the Entitlement Offer.

3.10 Date of this Offer Booklet

This Offer Booklet is dated 20 March 2025.

Statements in this Offer Booklet are made only as of the date of this Offer Booklet unless otherwise stated, and the information in this Offer Booklet remains subject to change without notice. Unless required by law, the Company will not update this Offer Booklet.

3.11 Not a recommendation

The information in this Offer Booklet does not constitute a financial advice or a recommendation to subscribe for New Shares and nor does this Offer Booklet purport to contain all of the information that an Eligible Shareholder may require to evaluate the merits of making an investment in the New Shares (and, if applicable, Additional New Shares). Prospective investors should note that neither the New Shares nor any Additional New Shares carry any guarantee with respect to the payment of dividends, the return of capital or their post-issue market price or liquidity profile.

3.12 Withdrawal of Entitlement Offer

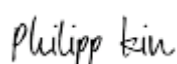
The Company reserves the right, subject to all applicable legal requirements, to withdraw the Entitlement Offer and the information in this Offer Booklet at any time (in which case the Company will refund all application monies received in accordance with the Corporations Act and without interest).

3.13 Further information

Further information in relation to the Entitlement Offer can be obtained by calling the Company Secretary at +61 8 9463 2463 during business hours Monday to Friday (Perth time).

3.14 Authorisation

This Offer Booklet has been authorised for release by the Board.

A handwritten signature in black ink that reads "Philipp Kin".

Philipp Kin
Managing Director

GLOSSARY

Unless defined in the body of this Offer Booklet, (otherwise undefined) capitalised words and terms used in this Offer Booklet have the meanings given to them in the Glossary below.

Term	Meaning
Associate	has the meaning given in sections 11 to 17 of the Corporations Act
ASX	means ASX Limited, or as the context requires, the financial market operated by it
Closing Date	the date on which the Entitlement Offer closes
GLO	means the (Texas) General Land Office
Issue Date	the date on which the New Shares the subject of the Entitlement Offer are expected to be issued
Presidio Project	means the oil and gas exploration and development project of the same name located in Presidio County, Texas
Related Party	has the meaning given in section 228 of the Corporations Act
Related Body Corporate	has the meaning given in section 9 of the Corporations Act
Relevant Interest	has the meaning given in section 608 of the Corporations Act
Shareholder	a holder of 1 or more Shares
Trading Date	has the meaning given in the Listing Rules
VWAP	means volume weighted average price
WDVG	means W.D. Von Gonten Engineering, a Houston-based geological, engineering and laboratory services provider

SCHEDULE 1 (RISK FACTORS)

This Schedule 1 describes some of the potential risks associated with the Company's business and with an investment in the New Shares. It does not purport to list every risk that may be associated with the Company and/or an investment in the New Shares (either now or in the future). The occurrence and/or consequence of some of the risks described in this Schedule 1 are likely to be partially or completely outside of the control of the Company and the Directors.

The selection of risks set out in this Schedule is based on an assessment of a combination of the probability of the risk occurring, the Company's ability to mitigate that risk and the impact on the Company of the risk if it were to occur. That assessment is based on the knowledge of the Company and the Directors as at the date of this Offer Booklet. Please note however that there is no guarantee or assurance that the importance of the different risks will not change or that other risks will not emerge.

Before applying for New Shares under this Offer Booklet, Eligible Investors should satisfy themselves that they have sufficient understanding of the risks to which the Company and the New Shares are subject and should consider whether the New Shares being offered under the Entitlement Offer are a suitable investment for them having regard to their own personal circumstances, investment objectives, financial situation and tax position.

If Eligible Investors are uncertain as to whether the New Shares represent a suitable investment for them, they should seek professional advice from their stockbroker, lawyer, accountant or other independent and appropriately qualified professional adviser before deciding whether to invest. Investors should also note that past performance and historical results are not an indication of future expected performance or future expected results.

Company-specific risks

Capital and operating costs

The Company's strategic plans (which primarily relate to the development and profitable exploitation of the Presidio Project) and financial condition may vary with fluctuations in the Company's capital (noting that the Company is operating in a highly capital-intensive industry) and operating costs. An unanticipated increase in the Company's capital or operating costs could have a materially adverse impact on the Company's strategic plans and/or financial condition (with any such impact also expected to negatively affect the price or value of the Company's securities). The Company's main operating expenses include but are not limited to licensing and permitting costs, the costs associated with technical studies, contractor costs, drilling costs (which can be considerable), input costs and energy costs. Material changes in the costs of the Company's operating activities as well as its cost of capital could also occur as a result of unforeseen events, the occurrence of which may also adversely affect the Company's financial condition. In past energy price cycles, operating and capital costs have tended to increase as energy prices have increased. The Company (like most of its oil and gas exploration and development peers) is currently experiencing rising capital and operating costs.

Additional requirements for capital

The Company will require further capital in addition to the amount raised under the Entitlement Offer to fund the continued exploration, drilling and development of its Presidio Project and to finance its operations more generally. Any additional equity financing will dilute shareholdings, and any new or additional debt financing, if available, may, in addition to requiring the timely payment of interest and the repayment of principal, involve restrictions on financing and operating activities. There is however no guarantee that the Company will be able to secure any additional funding (whether in debt or equity) or be able to secure funding on terms favourable to the Company. If the Company is unable to secure additional funding as needed, it may be required to reduce the extent of its proposed exploration and development activities at its Presidio Project and the scope of its operations more generally.

Hydrocarbon resources and reserves uncertainty

Estimating the quantity and quality of hydrocarbon resources and reserves is an inherently uncertain process. Any resources and reserves (if applicable) the Company has stated are and will be estimates and may not prove to be an accurate indication of the quantity or quality of oil and gas the Company may ultimately be able to produce. Furthermore, the Company's potential future earnings, profitability and financial condition will also likely be dependent on the successful development of the Presidio Project and on the discovery of additional resources and reserves (if applicable) and either the commercialisation (or monetisation by sale) of the Project and/or these discoveries.

Uncertainty of development of projects

The development of each of the each of the Company's projects (including, the Company's Presidio Project or any other project that the Company may acquire in the future) is subject to numerous risks, including in relation to the anticipated timing and cost of development, the availability of funding to support development, the receipt (and maintenance) of any permits or licences needed to allow for that development and numerous other risks including risks relating to the geology and economic viability of its projects. The eventuality of any of these risks may adversely affect the Company's ability to develop the Presidio Project and in turn its financial condition (and therefore, the price or value of its securities).

The Company's medium and long-term strategic plans with respect to the Presidio Project are dependent upon the Company being able to fund (or find a farm-in partner who is willing to fund (or partially fund)) the development of and to develop the project and produce oil and gas in a safe and profitable manner. In relation to potential farm-in opportunities (and while the Company will continue to seek appropriate farm-in partners for the Project), there can be no certainty that farm-in arrangements acceptable to the Company will ultimately be agreed and/or entered into.

There is also a risk that unexpected challenges or delays will arise, or that production rates will differ from the Company's estimates, increasing the costs of production and/or resulting in lower revenue.

In addition, and while the Company is confident in the inherent value of the Presidio Project, there can be no guarantee that the outcome of WDVG's ongoing technical evaluation and ancillary studies (for further detail in relation to which, please see the Company's ASX release dated 13 January 2025) will be favourable and/or will demonstrate the commercial viability of the Presidio Project.

The Company cautions investors that there can be no certainty that the Company will ultimately be able to produce and sell material quantities of oil and gas from or monetise its Presidio Project. Furthermore, investors should note that Company does not presently expect that it will generate material revenues from the production of any hydrocarbons during the remainder of FY25 or in FY26.

Energy prices

The Company's ability to explore, develop and ultimately generate revenue from the sale of hydrocarbons is highly dependent on the market price of oil and gas (and ancillary condensate products). If the market price of oil and gas were to decline precipitously, the Company may be unable to raise further capital to explore or develop any of its projects (including the Presidio Project).

Licences, permits and approvals

The Company requires certain licences, permits and approvals to develop and explore its various exploration and development projects. Such licences, permits and approvals may expire periodically and will be subject to renewal. Obtaining and maintaining the numerous permits issued by the various government agencies and regulatory bodies that impose strict regulations in connection with oil and gas exploration, project development and production may take longer than currently planned or may never be received. Any such material delays in the receipt (or the non-receipt) of any requisite licence, permit or approval could be expected to adversely impact the Company's ability to develop the relevant project (including its Presidio Project) and, consequentially, the price or value of the Company's securities.

There are also a number of conditions and regulatory requirements that the Company must satisfy with respect to its licenses and permits to maintain its interest in those licenses and permits in good standing, including meeting specified reporting commitments, as well as other conditions requiring ongoing compliance. Consequently, the Company could lose title to, or its interest in, these assets if the imposed conditions are not met. If any of these risks materialise, the Company's development plans and financial condition (as well as the price or value of its securities) may be adversely affected. More specifically, and as noted in Section 3.2, the Company is working with the GLO in relation to the resolution of a number of minor breaches of certain licence conditions. While the Company is confident that these breaches will be satisfactorily resolved, this outcome cannot be guaranteed.

Environmental risks

Environmental risks are inherent in all oil and gas exploration, development and production activities. The Company seeks to conduct its operations and activities to the highest standard of environmental obligations, including in compliance with all relevant environment laws and regulations. The Company seeks to adopt practices which the Company believes are appropriate to minimise the potential of causing environmental damage in all the Company's operations, but no assurance can be made that the Company will not be affected by environmental claims or associated issues in the future. The Company is unable to predict the effect on its operations of any additional or amended environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations on any of its leases.

Litigation

As noted in Section 3.3, the Company (and its US-based subsidiaries) are currently subject to legal action in Texas following allegations that it (or the relevant US-based subsidiary) caused damage to the plaintiff's land due to an oil spill and as a result of the unauthorised construction of an access road. The sum claimed by the plaintiff is up to US\$2.0 million. The Company intends to defend this matter on the basis that it believes that it (or the relevant US-based subsidiary) has already adequately remediated the land allegedly damaged and that the construction of the access road was in fact properly authorised by the plaintiff.

The Company is subject to the usual business risk that a dispute or litigation may arise from time to time in the ordinary course of its business activities. Litigation risks relating to the Company include, but are not limited to, debtor claims, contractual claims, occupational health and safety claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could affect the Company's operation and financial condition and/or performance.

Asset disposals

The Company is presently considering the sale of (and is conducting an informal sale process in relation to) certain of its non-core assets, including its China-based helium exploration and development assets. While the Company does not consider the current value of (or potential consideration that may ultimately be payable for) any of these assets to be material to the Company, the Company cautions investors that there can be no guarantee that the Company will be able to monetise any of these assets on terms acceptable to the Company or at all.

Foreign exchange

Significant changes in the Australian Dollar and United States Dollar exchange rates may have a significant impact on the Company's ability to fund the capital expenditure required to conduct the Company's operations. The majority of the Company's local expenses are incurred in US dollars. As such, any investment in the Company will be subject to variations in the rate of exchange between these exchange rates as determined in the international markets.

Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant events – such as war, acts of terrorism, loss of power, cyber security breaches or natural disasters (such as earthquakes, fire or floods or the outbreak of epidemic disease) could all materially disrupt the Company's operations or otherwise harm its business.

General risks

Changes in or the occurrence of any of the following general risks may also significantly (and adversely) impact the Company, its performance and the value or market price of the New Shares being offered under the Entitlement Offer:

- economic and political conditions in Australia, the United States²⁷ and internationally;
- changes in fiscal and monetary policy by governments and monetary authorities;
- changes in tax and other laws (and changes in the manner in which those taxes and other laws are administered);
- natural disasters;
- war or terrorist attacks;
- opposition of environmental or community groups to the Company's activities; and
- the inability of the Company to obtain or maintain any necessary regulatory approvals.

Equity market fluctuations

Investors are strongly advised to regard an investment in the New Shares as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. This means that the market price of the New Shares may decrease or increase from time to time.

²⁷ While the Company is confident that recent political changes in the United States will be positive for the Company and its prospects (including because of the new administration's stated support for the exploration for and the production of conventional hydrocarbons), there can be no guarantee that this will be the case for foreign registered companies (i.e. foreign from the perspective of the United States) that have a small number of US domiciled shareholders (such as the Company).

SCHEDULE 2 (PRO FORMA BALANCE SHEET)

Helios Energy Limited Pro Forma Statement of Financial Position

	<i>Reviewed</i>				
	31 December 2024	Pro Forma Adjustments	Pro Forma Adjustments	Pro Forma Adjustments	Pro Forma
	\$	\$	\$	\$	\$
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	
Current Assets					
Cash and cash equivalents	195,089	1,000,000	2,600,000	(261,000)	3,534,089
Trade and other receivables	326,094	-	-	-	326,094
Other assets	150,757	-	-	-	150,757
Total Current Assets	671,940	1,000,000	2,600,000	(261,000)	4,010,940
Non-Current Assets					
Exploration and evaluation expenditure	48,535,909	-	-	-	48,535,909
Right-of-use asset	283,091	-	-	-	283,091
Investments	185,900	-	-	-	185,900
Total Non-Current Assets	49,004,900	-	-	-	49,004,900
Total Assets	49,676,840	1,000,000	2,600,000	(261,000)	53,015,840
Current Liabilities					
Trade and other payables	2,362,850	-	-	-	2,362,850
Lease liability	134,427	-	-	-	134,427
Total Current Liabilities	2,497,277	-	-	-	2,497,277
Non-Current Liabilities					
Borrowings	151,039	-	-	-	151,039
Lease liability	242,842	-	-	-	242,842
Total Non-Current Liabilities	393,881	-	-	-	393,881
Total Liabilities	2,891,158	-	-	-	2,891,158
Net Assets	46,785,682	1,000,000	2,600,000	(261,000)	50,124,682
Equity					
Contributed equity	98,117,145	1,000,000	2,600,000	(261,000)	101,456,145
Reserves	6,359,578	-	-	-	6,359,578
Accumulated losses	(57,691,041)	-	-	-	(57,691,041)
Total Equity	46,785,682	1,000,000	2,600,000	(261,000)	50,124,682

Notes to the Pro Forma Statement of Financial Position

Note 1

The Statement of Financial Position at 31 December 2024 has been extracted from Helios Energy Limited's auditor reviewed financial statements for the half year ended 31 December 2024.

Note 2

\$1,000,000 Placement as announced to the market on 13 March 2025.

Note 3

\$2,600,000 fully underwritten non-renounceable Entitlement Offer as announced to the market on 13 March 2025.

Note 4

Capital raising cost associated with the Placement and Entitlement Offer:

- 6% capital raising fee equivalent to \$216,000.
- \$35,000 legal fees.
- \$10,000 other associated costs

SCHEDULE 3 (SUMMARY OF UNDERWRITING AGREEMENT)

Conditions precedent

The obligation of the Lead Manager to manage and underwrite the Entitlement Offer is subject to the satisfaction of certain conditions precedent. These conditions precedent include:

- the preparation and release of all offer documents required to launch, give effect to and complete the Entitlement Offer (**Offer Documents**);
- all due diligence investigations being undertaken and completed by the Company to the satisfaction of the Lead Manager;
- receipt by the Company of any necessary regulatory, statutory and Listing Rule approvals or consents; and
- receipt by the Lead Manager of certain (generally) customary opinions, reports, sign-offs and certificates from the Company and its advisers.

Warranties and indemnities

The Underwriting Agreement contains a number of representations and warranties by and undertakings from the Company in favour of the Lead Manager that are considered to be standard for an agreement of this nature. Furthermore, the Company has (subject to certain limitations) agreed to indemnify the Lead Manager and its Related Bodies Corporate and each of their respective directors, officers, employees, contractors, advisers and representatives against any and all losses incurred in connection with the Entitlement Offer.

‘Unqualified’ termination events

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following termination events occurs:

- (defective disclosure) any of the Offer Documents or any aspect of the Entitlement Offer does not comply in a material respect with the Corporations Act or the Listing Rules or if any statement contained in any Offer Document is or becomes misleading or deceptive (including by omission);
- (new circumstance) in the reasonable opinion of the Lead Manager, a new circumstance arises that would have been required by the Corporation Act to be disclosed in the Offer Documents had that new circumstance arisen before the Offer Documents were released; or
- (market fall) the S&P/ASX 200 Index closes in the period from the date on which the trading halt in the Shares is applied (**Trading Halt Date**) to the day immediately before the Issue Date at a level that is 10% or more below the level of that index as at the close of trading on the business day immediately before the Trading Halt Date.

'Qualified' termination events

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events occur and that event has, or is likely to have, in the reasonable opinion of the Lead Manager, a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the New Shares or the willingness of investors to subscribe for the New Shares or the performance of the secondary trading market for the New Shares at any time during the 30 day period following the Issue Date:

- (disclosures) any information supplied by or on behalf of the Company to the Lead Manager is or becomes misleading or deceptive, including by way of omission;
- (adverse change) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, operations or prospects of the Company;
- (compliance with agreements and regulatory requirements) a contravention by the Company of the Corporations Act, the Company's constitution, or any of the Listing Rules, or the Company commits a fraudulent act; or
- (market or trading disruption) there is a suspension or limitation in trading in securities generally or there is any adverse change or disruption to the existing financial market or the political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America or a member state of the European Union.