

26 April 2018

Dear Optionholder

## **RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO APPROXIMATELY A\$21.45 MILLION**

On 26 April 2018, Pacific Energy Limited (**Company**) announced that it would be offering shareholders the opportunity to participate in a renounceable pro-rata entitlement offer to raise approximately \$21.45 million (before costs) (**Offer**), on the basis of one fully paid ordinary share in the capital of the Company (**New Share**) for every 9 fully paid ordinary shares held at the record date, at an issue price of \$0.50 per New Share.

Only shareholders with a registered address in Australia, New Zealand, Hong Kong, Singapore or the United Kingdom will be eligible to participate in the Offer (**Eligible Shareholders**).

The Offer is made to Eligible Shareholders registered at 5.00pm (AWST) on the record date of Wednesday, 2 May 2018 (**Record Date**).

Assuming no options are exercised before the Record Date, up to 42,896,144 New Shares will be issued under the Offer.

The Offer is renounceable so rights are tradeable on ASX. New Shares will rank equally with the Company's existing shares.

The Offer is being made pursuant to a prospectus lodged with the Australian Securities and Investment Commission and ASX Limited (**ASX**) on 26 April 2018 (**Prospectus**) which is available on the Company's website [www.pacificenergy.com.au](http://www.pacificenergy.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

### **Optionholders**

The purpose of this letter is to give you notice, as an option holder of the Company, that if you wish to participate in the Offer in relation to the shares underlying your options, you must exercise your options before the Record Date.

Notice of exercise of your options and payment of the exercise price of the options must be received by the Company's share registry, Computershare Investor Services Pty Limited, on or before Tuesday, 1 May 2018. Any notice of exercise of options received after this date cannot be assured of the allotment of shares by the Record Date. If you require an option exercise form, please contact the Company Secretary on +61 (08) 9303 8888.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Offer. If you do not wish to participate in the Offer, you do not need to take any action. Please do not hesitate to contact us should you require anything further.

### **Purpose of Offer**

Successful completion of the Offer will raise up to approximately \$21.45 million (before costs). Funds raised through the Offer will allow the Company to reduce debt and have available capital for growth opportunities.

## ASX ANNOUNCEMENT (CONTINUED)



The Offer follows the Company's announcement on 24 March 2018 of the acquisition of the businesses known as Contract Power Group (**Contract Power**) for \$90 million. The Contract Power acquisition was settled on 24 April 2018. It is a condition of the bank funding used for settlement that the Company undertake at least a \$20 million rights issue within 90 days from settlement.

The Contract Power acquisition is an excellent opportunity for the Company. Contract Power is a specialist provider to the remote power generation sector, with over 25 years' experience in the Australian build, own, operate market as well as in the engineering, procurement, construction market, having completed projects in Australia, Africa and Asia.

### Indicative Timetable

The timetable for the Offer is as follows:

Event	Date
Prospectus lodged with ASX and ASIC	Thursday, 26 April 2018
Notice of Offer sent to option holders	Thursday, 26 April 2018
Notice of Offer sent to shareholders	Monday, 30 April 2018
Ex-Date Rights trading commences	Tuesday, 1 May 2018
Record Date	Wednesday, 2 May 2018
Offer Document and entitlement and acceptance form dispatched to Eligible Shareholders	Monday, 7 May 2018
Opening date	Monday, 7 May 2018
Rights trading ends	Monday, 21 May 2018
Closing date	Monday, 28 May 2018
Notification of shortfall	Thursday, 31 May 2018
Issue date. Allotment and issue of New Shares	Monday, 4 June 2018

The above timetable is indicative only and all dates may be subject to change. The Company reserves the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

### Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. Eligible Shareholders may apply for any shortfall shares under the separate shortfall offer made pursuant to the Prospectus.

### Prospectus

Details of the Offer are contained in the Prospectus. Eligible Shareholders should consider Prospectus carefully before deciding whether to participate in the Offer and consult with their professional advisors if they have any queries.

Yours faithfully

Cliff Lawrenson  
**Chairman**