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ASX ANNOUNCEMENT and MEDIA RELEASE

CONTANGO INCOME GENERATOR LIMITED IPO NOW OPEN

Contango MicroCap Limited's (CTN) has today launched the initial public offering of a new listed investment company, Contango Income Generator Limited (ASX ticker "CIE").

The focus of the new LIC is to generate income and capital growth by investing in a portfolio of quality ASX listed securities, outside the top 30, and predominantly in the small to midcap sectors of the market.

The emphasis will be on entities with sound balance sheets, a consistent (and franked) distribution stream, low volatility, sustainable earnings and good prospects for growth.

The ultimate objectives of the Company, over the medium term, will be for the Company's Investment Portfolio to outperform the ASX All Ordinaries Accumulation Index and to provide Shareholders with a consistent stream of franked dividends.

Contango Microcap Chairman Mark Kerr said that the listing of the new LIC was a milestone for the business, and an important step in its growth strategy.

"This represents a milestone for the Contango Group. We have created this new LIC as a direct result of investor demand," Mr Kerr said.

"We believe the key benefits for investors will be access to a specialist investment manager with significant experience and expertise in Australian equities and the management of listed investment companies. CTN rightly enjoys a reputation for consistently generating above-index returns.

"They will invest in a portfolio of sound, higher yielding ASX-listed Australian shares, with an emphasis on companies that will grow their dividends and franking accounts over time;

"Income focused investors will appreciate a dividend policy to with a commitment to pay a minimum of 6.5% per annum of the Company's NTA value per Share.

"The Board is committed to aggressive growth and the creation of this new entity will in part deliver that strategy.

The Company is seeking to raise a minimum of $30 million and a maximum of $100 million through the Offer. However, the Company also reserves the right to accept Oversubscriptions under the Offer to raise up to an additional $20 million.

The Company's Investment Portfolio will be managed by Contango Asset Management Limited (Investment Manager) under the terms of the Investment Management Agreement.

Contango Asset Management Limited's Chief Investment Officer George Boubouras, who is also on the board of CIE, said that "In this low interest rate environment, we know how hard it is for investors to find sustainable income streams and we are pleased to offer this solution".
"Income focused investors will appreciate the company's dividend policy to pay a minimum of 6.5% of the Company's NTA value per share per annum.
"Many investors are already exposed to large cap high yielding stocks such as the banks and Telstra. Further adding to these positions may increase sector and stock specific risk in an investors' portfolio.
"Blending an existing large cap portfolio with an ex-30 income fund could increase diversification and reduce risk while also maintaining or even increasing yield."

Contango Asset Management Limited is a specialist funds manager, founded in 1998. The Investment Manager and Contango MicroCap (an existing Listed Investment Company also managed by Contango Asset Management) have approximately $833 million in funds under management (as at 31 May 2015).

Contango MicroCap Limited
ABN 47 107 617 381
Phone: +61 3 9222 2333 Level 27, 35 Collins Street Melbourne VIC Australia 3000
contango@contango.com.au www.contango.com.au

The Investment Manager is a 'top down business cycle' manager. It aims to buy and hold individual stocks for the longer term. Further, it intends to manage the Investment Portfolio with sensitivity to economic and market factors as well as stock specific considerations. At some stages of the cycle there is a growth bias while, in periods of economic weakness, there will be a bias to value / defensive stocks.

The Joint Lead Managers to the Offer are Evans and Partners Pty Ltd, Taylor Collison Limited, Wilson HTM Corporate Finance Ltd and Morgans Financial Limited.

The offer **closes** on **31 July**, 2015 at 5.00pm.

Ends