

29 JULY 2015

ASX ANNOUNCEMENT - SUBSCRIPTION AGREEMENT TERMS COMPLETED

Contango MicroCap Limited (CTN) is pleased to advise that it has delivered its application form and funding of \$30m in cleared funds to Contango Income Generator Limited (CIE) as required under the CIE prospectus and Subscription Agreement between the companies dated 25 June 2015.

The main objective of CIE is to provide shareholders with a sustainable income stream of dividends coupled with some capital growth over time. CIE also offers investors diversification away from the top 30 securities of the S&P/ASX 300 Index which many investors are already exposed to. In this regard, the Company will seek to invest in high quality ex-30 stocks that have relatively lower volatility, sound balance sheets, consistent and franked dividends, and sustainable earnings growth

Contango Microcap Chairman Mark Kerr said that investor demand has been pleasing in a challenging economic climate.

"CIE's investment profile and style has resonated with investors. Investors are looking for products that offer sustainable dividends in a lower yield environment.

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

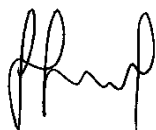
"Our investment team led by CIO George Boubouras has been working extremely closely with our Joint Lead Managers to the Offer in Evans & Partners Pty Ltd, Taylor Collison Limited, Wilson HTM Corporate Finance Ltd and Morgans Financial Limited and co-manager, Bell Direct," he said.

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

The Company was seeking to raise a minimum of \$30 million and a maximum of \$100 million through the Offer.

CTN shareholders are reminded that they have a priority entitlement for subscriptions into CIE.

The offer is open until Friday, July 31, 2015 at 5.00pm. For those still interested please enquire through the Joint Lead Managers, Bell Direct or download the prospectus at http://www.contango.com.au/contango_income_prospectus.php

A handwritten signature in black ink, appearing to read 'Glenn Fowles'.

Glenn Fowles
Company Secretary

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