



28 November 2014

ASX ANNOUNCEMENT | MEDIA RELEASE

CTN Convertible Note offer

Priority offer for new LIC – Contango Income Generator Limited (CIE)

Contango MicroCap Limited (CTN) is pleased to announce the issue of 5 year redeemable unsecured convertible notes.

CTN will raise up to \$30 million in convertible notes via a prospectus. The convertible notes will be issued with a term of 5 years and a coupon rate of 5.5% pa. Note holders may choose to convert their holdings into CTN shares at the end of the 5 year term, or at other specified times, at the conversion price of \$1.30.

CTN will use the proceeds from the convertible note issue to become the “cornerstone” investor and sponsor of a new Listed Investment Company (LIC) - Contango Income Generator Limited (CIE). CIE will invest in a portfolio of ASX ex-30 Australian securities which generally have a higher yield and lower volatility than the overall market. CIE will aim to pay a yield of 7% pa of the NTA of the portfolio and will target a high franking component.

In addition to the cornerstone investment funded by the convertible note issue, CIE will raise up to \$30 million from the public via an Initial Public Offer (IPO) of shares. CTN shareholders wishing to acquire shares in the CIE IPO will be given priority access.

Mark Kerr, Chairman of CTN, said the convertible note funding into CIE would purchase a prospectively attractive investment and would grow the funds management business of CTN in the rapidly growing LIC format of the ASX.

Ian Ferres, Chairman of CIE, said that the new LIC provided an opportunity for investors to gain access to a diversified portfolio of income generating stocks which were different from the widely held top 30 companies.

CIE's investment portfolio will be managed by CTN's 100% owned manager Contango Asset Management Ltd (CAML) – a highly regarded mid/small cap Australian equity manager. Over the past two years, CAML has managed this ex-30 income strategy to deliver solid growth and an attractive yield with lower volatility than the market.

The CIE IPO and CTN convertible note offer are expected to open on 8 December 2014 and will close on 19 and 22 December 2014 respectively. The offers are jointly managed by Evans & Partners and BBY.

To access these securities we recommend you contact your stock broker or financial advisor.

Enquiries : contact Boyd Peters on 03 9222 2333.

Mark Kerr
Chairman

Please see below for disclaimer and information regarding how to obtain a copy of the Prospectuses.

Disclaimer

The issuers of the securities referred to in this publication are Contango Income Generator Limited ACN 160 959 991 (**CIE**) and Contango MicroCap Limited ACN 107 617 381 (**CTN**). The offer of securities will be made in the Prospectuses lodged, by CTN and CIE respectively, with ASIC and dated 28 November 2014. The Open Date is expected to be 8 December 2014 (**Open Date**), subject to any extension of the exposure period by ASIC. From the Open Date, investors who are resident in Australia or New Zealand will be able to obtain copies of both Prospectuses by downloading or requesting a paper copy online at www.contango.com.au or by calling (+613) 9222 2333 (Monday to Friday 8.30am - 5.30pm AEDT). Applications for securities must be made using an application form contained in, or accompanying, the Prospectus which you will need to complete and return so that it is received by Computershare on the Closing Date in order to acquire securities under the Offer.

Investors should read each Prospectus in its entirety, including the key risk factors, before making any investment decision. The Prospectuses include forward-looking statements. The Directors can give no assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in the Prospectuses will actually occur and investors should not place undue reliance on such statements. Investors should carefully consider the information in the Prospectuses, including the key risks, and seek professional guidance from your financial adviser, solicitor, accountant, tax adviser or other independent and qualified professional advisers as to whether an investment in the Company is appropriate for you having regard to your individual objectives, financial situation and needs. No cooling off regime applies in relation to the offer of securities under the Prospectuses.

No person is authorised to give any information or make any representation in connection with the Offer described in the Prospectuses which is not contained in the Prospectuses. Any information not so contained may not be relied upon as having been authorised by the Company, the Joint Lead Managers, or any other person in connection with the Offer.