Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Contango MicroCap Limited

ABN

47 107 617 381

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Redeemable, unsecured, convertible notes each with a face value of $100 (**Convertible Notes**) to be issued pursuant to the Contango MicroCap Limited Prospectus, dated 28 November 2014 (**Prospectus**). Capitalised terms used in this Appendix 3B have the meanings given to them in the Prospectus.
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	265,000 Convertible Notes.

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Refer to the Prospectus. In particular, refer to Section 1 (page 11), Section 2 (page 22) and Section 7 (page 62) of the Prospectus. The Convertible Notes are redeemable, unsecured, convertible debt obligations of the Company. Unless earlier converted, redeemed or re-purchased (and cancelled), the Company will redeem all outstanding Convertible Notes on 31 March 2020 (**Maturity Date**). The interest rate for the Convertible Notes is fixed at 5.5% per annum for the term of the Convertible Notes. Interest will be paid on the Convertible Notes half yearly in arrears until the earliest to occur of Redemption, Conversion and Maturity. The first Interest Payment Date is 31 March 2015. Holders may request conversion of some or all of their Convertible Notes (into Shares) at any time after the Issue Date until 10 Business Days prior to the Maturity Date. The initial Conversion Price is $1.30. The Conversion Price will be subject to adjustment for certain share and other transactions undertaken by the Company. Upon conversion, each Convertible Note will convert into the number of Shares determined by dividing the Face Value (and any accrued, unpaid interest that the Company decides ought to be included in the Conversion Amount) by the Conversion Price (as adjusted – if required), with fractions disregarded. The Company must Redeem all Convertible Notes (that have not previously been converted into Shares, Redeemed or repurchased (and cancelled)) on the Maturity Date. The Company may Redeem all (but not some) Convertible Notes that have not previously been converted prior to the Maturity Date if: • a Regulatory Event occurs; • a Minimum Holding Event occurs; or • a Change of Control occurs.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The Convertible Notes rank: • behind secured creditors of the Company (of which there are currently none); • equally amongst themselves and at least equally with all other unsecured and unsubordinated debt obligations of the Company, other than those obligations mandatorily preferred by law; and • ahead of ordinary equity of the Company and any of the Company's obligations that are subordinated to the Convertible Notes. On conversion, the resulting Shares will rank equally with all other issued ordinary shares in the capital of the Company.
5	Issue price or consideration	The consideration payable to apply for and acquire a Convertible Note is equal to the face value of a Convertible Note (i.e. $100)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Company is conducting the Offer for the purpose of: • establishing and investing in a new listed investment company (Contango Income Generator Limited), in which the Company will have a significant shareholding; • increasing the size of the Company and its Investment Portfolio; and • lowering the Company's management expense ratio by increasing the scale of the Company's business relative to its fixed expenses.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Not applicable.
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable.

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of +securities issued under an exception in rule 7.2	Not applicable.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable.
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The Convertible Notes are expected to be issued on 22 December 2014.

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		158,881,328	Ordinary fully paid shares
		265,000	Convertible Notes

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	Number 557,052	+Class $1.106 unlisted options, expiring on 30 November 2016
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends are payable in respect of the Convertible Notes. An outline of the applicable interest in respect of the Convertible Notes is set out below. The interest rate for the Convertible Notes is fixed at 5.5% per annum for the term of the Convertible Notes. Interest will be paid on the Convertible Notes half yearly in arrears until the earliest to occur of Redemption, Conversion and Maturity. The first Interest Payment Date is 31 March 2015. Each Interest Period commences on (and includes) an Interest Payment Date and ends on (but excludes) the next Interest Payment Date, with: • the first Interest Period commencing on (and including) the Allotment Date; and • the final Interest Period ending on (but excluding) the Maturity Date or a Redemption Date. For each Interest Period, interest will be paid to Holders registered as such at 7.00pm (Melbourne time) on the relevant record date for the Interest Period, which date will be eight calendar days before the Interest Payment Date for that interest payment or as otherwise required by ASX. Interest payments are not deferrable by the Company and are not discretionary. If an amount is not paid when due, then interest accrues on the unpaid amount (both before and after any demand or judgment) at 7.5% until the date on which payment is made to the Holder.	

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable.
12	Is the issue renounceable or non-renounceable?	Not applicable.

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	Not applicable.
14	+Class of +securities to which the offer relates	Not applicable.
15	+Record date to determine entitlements	Not applicable.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.
17	Policy for deciding entitlements in relation to fractions	Not applicable.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable.
19	Closing date for receipt of acceptances or renunciations	Not applicable.
20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable.

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements *in full* through a broker?	Not applicable.
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Issue date	Not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or

+ See chapter 19 for defined terms.

documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable.
39	+Class of +securities for which quotation is sought	Not applicable.
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Not applicable.
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	Not applicable.

+ See chapter 19 for defined terms.

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Not applicable.	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: ..22 December 2014.....
Director & Company Secretary

Print name: Glenn Fowles

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+ See chapter 19 for defined terms.