

EGY
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

3 July 2020

Dear Shareholder

Energy Technologies Ltd ACN 002 679 469 A\$3.4 m Rights Issue Offer Letter to Ineligible Shareholders

NOT FOR DISTRIBUTION IN THE UNITED STATES

As announced on 24 June 2020, Energy Technologies Ltd ACN 002 679 469 (**EGY** or **Company**) is seeking to raise additional capital via a non-renounceable rights issue on the basis of 1 new fully paid ordinary share in the Company (each, a **New Share**) for every 2.017 existing shares in the Company held as at the record date of 30 June 2020 (**Record Date**) at an issue price of AUD\$0.08 (**Issue Price**) per New Share (**Rights Issue Offer**).

Under the Rights Issue Offer, EGY is seeking to raise A\$3.4 million.

The Company intends to allow PAC Partners Securities Pty Ltd ACN 623 653 912 (the Lead Manager for the Rights Issue Offer) to place any New Shares not applied for under the Rights Issue Offer, as the Lead Manager determines in its discretion.

In conjunction with the Rights Issue Offer, the Company has received approximately AUD\$1.6 million via an institutional private placement which was supported by existing and new investors, at a share price of A\$0.08 (the same price as the Issue Price).

Subject to satisfactory completion of the Rights Issue Offer, funds will be used by the Company to replenish general working capital reserves and bolster its tendering facilities.

The Rights Issue Offer is being made without a prospectus or other disclosure document in accordance with section 708AA of the Corporations Act. A copy of the Offer Booklet issued by the Company in relation to the Rights Issue Offer has been lodged with the ASX and is available for viewing on the ASX website.

The Rights Issue Offer will be available to shareholders (**Eligible Shareholders**) recorded on the register of EGY members at 7.00pm on the Record Date with an address in Australia and New Zealand (**Eligible Jurisdictions**). The Company has decided, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), that it is

unreasonable to make offers to shareholders whose registered address is outside an Eligible Jurisdiction, having considered the number of shareholders concerned, the number and value of the New Shares these shareholders would be offered and the cost of complying with the legal and regulatory requirements of these other jurisdictions.

In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, the Company therefore advises you that it will not be extending to you an offer to subscribe for New Shares in the Rights Issue Offer.

If you have any questions regarding the Rights Issue Offer please do not hesitate to phone Alfred Chown, Chairman and Managing Director on 02 9938 5622 and for general enquiries please contact Computershare Investor Services Pty Ltd at 1300 850 505.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Alfred Chown', with a long horizontal flourish extending to the right.

Alfred Chown
Chairman and Managing Director
3 July 2020

Important Information

This letter is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of shares in the Company.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been made or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares will not be registered under the U.S. Securities Act, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.