



5 February 2014

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By E-Lodgement

UNMARKETABLE PARCEL SHARE BUY-BACK

Orca Energy Limited (**Orca**) (ASX: OGY) is pleased to announce the details for a buy-back for holders of unmarketable parcels of shares in the Company (**Buy-Back**).

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares. The Buy-back will allow shareholders who hold unmarketable parcels of shares in the Company (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of \$0.02 per share.

Based on the Buy-Back price per share and the register of members of Orca as at 5pm (WST) on 4 February 2014 (**Record Time**):

- a) an unmarketable parcel of shares is any shareholding of **24,999** shares or less;
- b) 1451 out of 2643 shareholders hold an unmarketable parcel; and
- c) the aggregate value of the Orca ordinary shares held by all holders of unmarketable parcels is \$227,731.78.

Orca shareholders who own 25,000 shares or more will not be eligible to participate in the Buy-Back.

The Company values all its shareholders and is offering this Buy-back to assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. The Company will pay for all costs related with this Buy-back (excluding tax consequences from the sale which remains the shareholder's responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

The Company is sending the attached letter to Eligible Shareholders. Those who wish to retain their shares must complete and sign the Share Retention Form and forward it to Advanced Share Registry, 150 Stirling Highway, Nedlands WA 6009, to be received by 5pm (WST) on 21 March 2014 (**Closing Time**).

For and on behalf of the Board

Greg Bandy
Executive Director

BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Jeremy King
NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford
Ms Shannon Robinson
JOINT COMPANY SECRETARY

REGISTERED OFFICE

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CONTACT DETAILS

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WEBSITE

www.orcaenergy.com.au

SHARE REGISTRY

Advanced Share Registry
150 Stirling Highway
Nedlands WA 6009

ASX CODE

OGY



5 February 2014

Dear Shareholder

Offer by Orca Energy Limited to buy-back unmarketable parcels of shares (Offer)

As announced on 5 February 2014, Orca Energy Limited (**Orca** or **the Company**) intends to complete a minimum holding share buy-back for holders of unmarketable parcels of shares in Orca as at 5pm (WST) on 4 February 2014 (**Record Time**).

The directors of Orca recognise that holders of Orca shares with a value of \$500 or less may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with unmarketable parcels, the directors have resolved to undertake a buy-back of unmarketable parcels of Orca shares under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the Corporations Act 2001 (Cth) (**Buy-Back**).

Shares purchased by the Company under the Buy-Back will be cancelled.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be an “unmarketable parcel” of shares. Based on the Buy-Back price of \$0.02 per share, an unmarketable parcel of shares is any shareholding of 24,999 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you is an unmarketable parcel, which makes you one of the Eligible Shareholders.

On the basis of the Buy-Back price and the register of members of the Company as at 4 February 2014:

1. 1,451 out of 2643 Orca shareholders hold an unmarketable parcel; and
2. the aggregate value of the Orca ordinary shares held by all holders of unmarketable parcels is \$227,731.78.

It is important to note that the market price of Orca shares will change from time to time. The buy-back price under the Buy-Back may be more or less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your Orca shares are bought back. The Company will not buy-back your share if you wish to retain your shareholding.

Your choices:

1. If you would like the Company to purchase your unmarketable parcel of shares at \$0.02 per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
 - a. complete the enclosed Share Retention Form and return it to the Company by no later than 5pm (WST) on 21 March 2014 (**Closing Time**); or
 - b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional Orca shares on market such that your registered holding at the Closing Time is greater than 24,999 shares.

You are advised to allow reasonable time for the Share Retention Form to be received by the Company. If you hold shares in multiple holdings, some of which are unmarketable parcels, then the Company will purchase those unmarketable parcels unless a Share Retention Form is received for each holding.



If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of unmarketable parcel under this Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of unmarketable parcels under the Buy-Back.

If you require further information in respect of the Buy-back, please contact the Company on +61 8 9488 5220.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy', written in a cursive style.

Greg Bandy
Executive Director