

Share Purchase Plan Offer Booklet

Offer of Shares under Share Purchase Plan

For an offer of up to \$30,000

of ordinary shares per shareholder.

**Offer closes at 5.00pm (Melbourne time) on
Monday, 5 February 2024**

IMPORTANT NOTICE

THIS OFFER BOOKLET IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS OFFER BOOKLET CAREFULLY AND, IN ITS ENTIRETY HAVING REGARD TO YOUR OWN INVESTMENT PARAMETERS, AND IF REQUIRED, OBTAIN INDEPENDENT PROFESSIONAL INVESTMENT ADVICE, BEFORE DECIDING TO INVEST IN HCD. THE NEW SHARES OFFERED BY THIS BOOKLET SHOULD BE CONSIDERED AS SPECULATIVE.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART or INTO THE UNITED STATES, OR TO US PERSONS.

ABN: 75 117 387 354

Tel: +61 3 9642 2899 | Fax: +61 3 9642 5177

Level 6, 412 Collins Street, Melbourne VIC 3000 Australia

Important Information

About this document

This Offer Booklet, dated 15 January 2024, contains information relating to the offer of Share Purchase Plan (SPP) Shares by Hydrocarbon Dynamics Limited (ABN 75 117 387 354) (HCD or the Company).

It should be read carefully and in its entirety. This Offer Booklet is intended for use only in connection with the SPP Offer to Eligible Shareholders in Australia or New Zealand. No action has been taken to permit an offering of New Shares in any jurisdiction outside of Australia and New Zealand. The offer of New Shares under the SPP is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, which grants relief from the requirement for the Company to provide prospectus disclosure in relation to the SPP. This Offer Booklet is not a prospectus under Chapter 6D of the Corporations Act and has not been lodged with ASIC. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus or other disclosure document. Eligible Shareholders should therefore rely upon their own knowledge of the Company, refer to disclosures made by the Company to ASX, and refer to their professional advisers before deciding whether to participate in the SPP Offer.

No person is authorised to give any information or to make any representation in connection with the SPP Offer which is not contained in this Offer Booklet. Any information or representation in connection with the SPP Offer not contained in the Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers.

The information provided in this Offer Booklet is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this booklet in full before deciding to apply for SPP Shares and consider the risks that could affect the performance of the SPP Shares.

If you have any questions, you should seek advice from your financial, accounting, tax or other professional adviser.

Restrictions on Foreign Jurisdictions

This Offer Booklet does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Booklet.

No action has been taken to register or qualify the SPP Shares being offered under the Offer or otherwise permit a public offering of the SPP Shares in any jurisdiction other than Australia and New Zealand. This Offer Booklet may not be distributed to or relied on by persons outside Australia and New Zealand.

In particular, this Offer Booklet, the SPP Offer and the SPP Shares to be issued under the Offer Booklet have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

The SPP Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand on the Record Date to whom the offer of SPP Shares can be made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Defined words and expressions

Some words and expressions used in this Offer Booklet have defined meanings. These words and expressions are capitalised and are defined throughout the Offer Booklet or in the Glossary in Section 5.

A reference to \$ or cents in this Offer Booklet is a reference to Australian currency (unless otherwise stated). A reference to time in this Offer Booklet is a reference to Melbourne, Australia time (AEDT).

Privacy

If you apply for SPP Shares you will provide personal information to the Company its agents, contractors and third-party services providers. The Company its agents, contractors and third-party services providers collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of HCD and by the Share Registry. You may also request the correction of your personal information by contacting HCD or the Share Registry by emailing hello@automic.com.au or by using the details in the Corporate Directory at the back of this Offer Booklet.

Chairman's Letter

15th January 2024

Dear fellow shareholder,

Hydrocarbon Dynamics Limited Share Purchase Plan

On behalf of the Board of Hydrocarbon Dynamics Limited (HCD or the Company), you are invited to participate in a Share Purchase Plan (SPP). This opportunity is being provided on a similar basis as the recently announced placement, although no options are being provided as part of the SPP.

The SPP allows Eligible Shareholders the opportunity to subscribe for up to \$30,000 at an offer price of 0.45 cents per share. The Offer Price is the same price as the price at which Shares have been offered to investors under the Placement announced by HCD on 22 December 2023, and which represents a 10% discount to the Company's closing price of 0.5 cents per Share on 12th January 2024 (being the last trading day prior to the announcement of the Placement), and a 2.5% premium to the Company's 5-day VWAP of 0.44 cents.

The terms and conditions of the SPP are provided with this Offer Booklet. You should read this Offer Booklet in its entirety before deciding whether to participate in the SPP.

The issue of Shares does not require shareholder approval and the SPP is not underwritten.

Use of funds

Proceeds from the SPP will be used for working capital purposes while the company completes a review of financing options of its existing operations as well as to advance new investment opportunities.

Eligibility

This Offer has eligibility requirements, which are as follows:

Participation in the SPP Offer is optional and is available exclusively to SPP Subscribers, being Eligible Shareholders. See Section 1 below for more detail on who is an Eligible Shareholder.

All Eligible Shareholders will be sent a copy of this Offer Booklet. Eligible Shareholders' right to participate in the SPP is not transferrable. All SPP Shares issued under the SPP Offer will rank equally with existing Shares.

How to apply

The SPP closes on 5 February 2024 (or such later date as the Company determines, in its absolute discretion).

To apply for SPP Shares refer to the accompanying Acceptance Form and make payment by BPAY® or EFT for your full entitlement by following the instructions on the Acceptance Form.

If you are an Eligible Shareholder, you may apply for a parcel of SPP Shares valued at up to \$30,000. Cleared funds must be received by no later than 5pm (AEDT) on Monday, 5 February 2024.

Queries

If you have any questions in relation to how to participate in the SPP Offer, please call Automic as Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (within and outside Australia). If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant, or other professional financial adviser.

Thank you for your continued support of Hydrocarbon Dynamics Limited.

Yours faithfully,



Stephen Mitchell
Chairman
Hydrocarbon Dynamics Limited

1. Key SPP Information

What is the SPP?

The SPP provides Eligible Shareholders with the opportunity to subscribe for up to \$30,000 worth of SPP Shares without paying any brokerage or other charges.

Applications may be scaled back at the discretion of the Company. More details of the SPP are set out in Section 3 of this Offer Booklet.

How much will the Company raise under the SPP?

The Company is seeking to raise \$877,000 or such greater amount determined by the Board under the SPP.

The Company may, at its discretion, scale-back the number of SPP Offers that will be allotted. This will occur only to the extent that the SPP Offer is oversubscribed.

Offer Price under the SPP

The Offer Price is 0.45 cents per SPP Share, which is the price at which Shares were issued to investors under the recently announced placement. No options will be issued under this SPP unlike the placement.

There is a risk that the market price of Shares may rise or fall between the Record Date, the date of this Offer Booklet, the date on which a Shareholder makes a payment for SPP Shares and the time of issue of SPP Shares under the SPP. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this Offer Booklet or the time of issue of the SPP Shares.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

Underwriting

The SPP is not underwritten.

Eligibility

Participation in the SPP is open to Eligible Shareholders being the registered holders of Shares in the Company at 5pm (AEDT time) on Friday, 12 January 2024 (Record Date) and whose address on the Company's Share register is in Australia and New Zealand provided that such Shareholder:

- is not in the United States, or acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the SPP Offer; and

The SPP is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP on behalf of certain Eligible Beneficiaries (who are residents of Australia or New Zealand) on the terms and conditions provided in this Offer Booklet.

The SPP Offer is made on the terms and conditions set out in this Offer Booklet.

How much can you invest under the SPP?

Eligible Shareholders may apply for a parcel of SPP Shares under the SPP in accordance with the application amounts set out below. The minimum and maximum investment amount under the SPP is \$500 and \$30,000 respectively, subject to any scale-back that may occur at the discretion of HCD. The Company reserves the right to accept applications outside of these set application amounts. The number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price

How to apply for SPP Shares

Refer to the accompanying Acceptance Form and make payment by BPAY® or EFT for your full entitlement by following the instructions on the Acceptance Form.

Pay by BPAY® (or EFT for New Zealand shareholders)

Make payment by BPAY® (or EFT for New Zealand shareholders) as shown on the SPP Offer instructions.

To apply via BPAY® you must have an Australian bank account. By paying through BPAY® (or EFT for New Zealand shareholders) there is no need to return an SPP Offer application form, but you will be taken to have made the statements and certifications that are set out in the SPP Offer instructions.

Payment must be received in cleared funds by no later than 5pm (AEDT) on Monday, 5 February 2024.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY® (or EFT for New Zealand shareholders).

Do Eligible Shareholders have to participate in the SPP?

No, participation in the SPP by Eligible Shareholders is entirely voluntary. If you do not wish to participate in the SPP, do nothing.

Can Eligible Shareholders offer under the SPP be transferred to a third party?

No, the SPP Offer cannot be transferred.

What are the rights attached to SPP Shares issued under the SPP?

SPP Shares issued under the SPP will rank equally with other fully paid ordinary Shares of the Company as at the date of issue of the SPP Shares

Is the SPP Offer conditional?

The SPP Offer is not conditional on the Company obtaining Shareholder approval.

What happens if there is a scale-back?

Applications for SPP Shares may be scaled back at the absolute discretion of the Company to the extent to which more than \$877,000 of applications are received. Unless the Company otherwise determines, scale-back will be based on the size of the applications and will occur in a fair and reasonable manner.

Will the SPP Shares be quoted on ASX?

Yes. The fact that ASX may grant official quotation to the SPP Shares is not to be taken in any way as an indication of the merits of the Company or the SPP Shares.

Where can I get more information on the SPP?

If you have questions in relation to how to participate in the SPP, please contact the Company, on +61 3 9642 2899. If you have any questions in relation to whether an investment in the Company through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries. The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive SPP Shares for one or more Eligible Beneficiaries (each a **Participating Beneficiary**), you must complete and submit an additional custodian certificate (**Custodian Certificate**) certifying the following:

- (a) that you are a Custodian (as that term is defined in paragraph 4 of ASIC Instrument 2019/547);
- (b) that you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for Shares on their behalf under the SPP and that the Participating Beneficiary was provided with a copy of this Offer Booklet before giving such instruction;
- (c) there are no Participating Beneficiaries in respect of which the aggregate amount for the following exceeds \$30,000:
 - (i) the shares or interests applied for by you under the SPP are in accordance with the instructions of the Participating Beneficiaries; and
 - (ii) any other Shares issued to you in the 12 months before the application as a result of an instruction given by a Participating Beneficiary to you or a downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP; and
- (d) that the matters required by paragraph 8(3) of ASIC Instrument 2019/547 have been complied with, and that the information given by the Custodian in that Custodian Certificate is true, correct and not misleading.

Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

2. Key Dates

Offer Timetable

Event	Date
Record Date	Friday, 12 January 2024
Announcement date	Monday, 15 January 2024
Offer Booklet and Application Forms dispatched	Friday, 19 January 2024
Share Purchase Plan opens	Friday, 19 January 2024
Share Purchase Plan closes	Monday, 5 February 2024
Announcement of results	Thursday, 8 February 2024
Allotment and issue of New Shares	Monday, 12 February 2024
Despatch of holding statements	Tuesday, 13 February 2024

Dates and times in this Offer Booklet are indicative only and subject to change. Any material changes will be notified to ASX. All dates and times are references to Melbourne time.

HCD reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, HCD reserves the right to extend the Closing Date and/or accept late Applications under the SPP without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX.

3. Details of the SPP Offer

3.1 SPP Offer – Eligible Shareholders

- (a) Under the SPP the Company offers to Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of Shares in the Company (SPP Shares) at an offer price of 0.45 cents per SPP Share (Offer Price). The SPP Offer is subject to and in accordance with the terms and conditions set out in this Offer Booklet.
- (b) Only persons who are Eligible Shareholders may participate in the SPP. If you are an Eligible Shareholder, your rights under the SPP Offer and SPP are personal to you and cannot be transferred to another person.
- (d) The Company intends to seek quotation for the SPP Shares.
- (e) Employees who are Eligible Shareholders may participate in the SPP.
- (f) All references to \$ or dollars in this Offer Booklet are references to Australian dollars unless indicated otherwise.

3.2 Application to Participate

Applying for SPP Shares

- (a) Participation in the SPP by Eligible Shareholders is optional.
- (b) Eligible Shareholders may participate in the SPP by applying to subscribe for a parcel of SPP Shares up to a maximum amount of \$30,000 per Eligible Shareholder. If applicable, the number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price.

If you are an Eligible Shareholder and wish to participate in the SPP, you must make payment by BPAY® (or EFT for New Zealand shareholders) in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, so that payment is received by HCD's Share registry by no later than 5 pm (AEDT) on Monday, 5 February 2024. If you make a payment by BPAY® (or EFT for New Zealand shareholders) you do not need to send an SPP Offer application form as receipt of your BPAY® (or EFT for New Zealand shareholders) payment will be taken by the Company as your application.

Receipts for payment will not be issued.

- (c) If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for SPP Shares with an aggregate value of more than \$30,000 under the SPP. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.
- (d) You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY® (or EFT for New Zealand shareholders). Your financial institution may have a set limit on the amount that you can pay via BPAY® (or EFT for New Zealand shareholders). It is your responsibility to ensure that the amount you wish to pay via BPAY® (or EFT for New Zealand shareholders) is received by the Company's Share registry by 5pm (AEDT) on Monday, 5 February 2024.

If you are an Eligible Shareholder and you make a payment via BPAY® (or EFT for New Zealand shareholders) you represent and warrant that the total of the application price for the following does not exceed \$30,000:

- (i) the SPP Shares the subject of your application;
- (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP (for the avoidance of doubt, an entitlement offer is not an arrangement similar to the SPP);

- (ii) any other SPP Shares which you have instructed a Custodian to subscribe for on your behalf under the SPP; and
- (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for SPP Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity.

3.3 Company's discretion with regard to applications

- (a) The Company may accept or reject any application under the SPP, including where:
 - (i) you have not made a BPAY® (or EFT for New Zealand shareholders) payment, or the application is otherwise determined by the Company to be invalid;
 - (ii) it appears that you are applying to subscribe for more than \$30,000 worth of SPP Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a Custodian or nominee arrangement);
 - (iii) your BPAY® (or EFT for New Zealand shareholders) payment is received after 5pm (AEDT) on Monday, 5 February 2024;
 - (iv) the Company reasonably believes that you are not eligible to participate in the SPP Offer (subject to compliance with any applicable ASIC or ASX requirements).

3.4 Refund

If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as is practicable.

3.5 Effect of making an application

If you submit a BPAY® (or EFT for New Zealand shareholders) :

- (a) you warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) you acknowledge that your application will be irrevocable and unconditional;
- (d) you agree to pay the Offer Price per SPP Share up to the maximum of:
 - (i) the value you have applied for; or
 - (ii) the maximum value of your BPAY® (or EFT for New Zealand shareholders) payment
- (e) you certify and represent to the Company that you have not directly or indirectly, including through a Custodian, applied for more than \$30,000 worth of SPP Shares;
- (f) you certify that the total of the application price for the following does not exceed \$30,000:
 - (i) the SPP Shares the subject of your application;
 - (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP (for the avoidance of doubt an arrangement similar to the SPP does not include an entitlement offer);
 - (iii) any other SPP Shares which you have instructed a Custodian to subscribe for on your behalf under the SPP; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for SPP Shares as a result of an instruction given by

you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity;

- (g) you accept the risk associated with any refund that may be sent to your address (as shown on the Company's register of members) or to your nominated bank account (as recorded by Company's Share registry);
- (h) you acknowledge that no interest will be paid on any application monies held pending the allotment of SPP Shares or subsequently refunded to you for any reason;
- (i) you acknowledge that neither the Company nor its Share registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- (j) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions of this Offer Booklet;
- (k) you acknowledge that the SPP Shares to be issued under the SPP have not, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction outside Australia and, accordingly, the SPP Shares to be issued under the SPP may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- (l) you agree not to send this Offer Booklet or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
- (m) you agree to be bound by the Company's constitution;
- (n) you authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the SPP Offer application process;
- (o) you acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the SPP Offer application process is incomplete, contains errors or is otherwise defective.

3.6 Scale-back in SPP Offer

- (a) Applications for SPP Shares may be scaled back at the discretion of the Company to the extent to which more than \$877,000 of applications are received. Unless the Company otherwise determines, scale-back will be based on the size of the applications and will occur in a fair and reasonable manner.
- (b) If there is a scale-back, you may receive less than the parcel of SPP Shares for which you have applied.
- (c) If a scale-back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares.
- (d) If there is a scale-back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Offer Price, will be refunded to you in accordance with clause 3.4.

3.7 The SPP Shares

- (a) SPP Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.
- (b) The Company will apply for the SPP Shares issued under the SPP to be quoted on the ASX.

3.8 No transaction costs

Eligible Shareholders who participate in the SPP will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of SPP Shares.

3.9 Conditional on Shareholder approval

The SPP Offer is not conditional on Shareholder approval for the purposes of issuing the SPP Shares.

3.10 ASX quotation

The SPP Shares will be quoted on ASX. The fact that ASX may grant official quotation to the SPP Shares is not to be taken in any way as an indication of the merits of the Company or the SPP Shares.

3.11 Allotment and holding statements

The Company anticipates issuing the SPP Shares subscribed for under the SPP Offer on 12 February 2024. Holding statements for SPP Shares granted under the SPP Offer will be mailed as soon as reasonably practicable after the SPP Shares are allotted which is expected to occur on 13 February 2024.

3.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of Share certificates, investors will be provided with a holding statement that sets out the number of Shares allotted to them under this Offer Booklet. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

3.13 Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. The Company's rights may be exercised by its board or any delegate of the board.

3.14 Variation, suspension and termination

- (a) The Company may at its discretion and at any time:
 - (i) vary, suspend or terminate the SPP. If the Company does this, it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act). Failure to notify Shareholders of variations to or the suspension or termination of the SPP will not invalidate the variation, suspension or termination; or
 - (ii) to the extent permitted by law, waive compliance with any provision of the SPP or these terms and conditions.
- (b) The Company reserves the right to issue no SPP Shares under the SPP or fewer SPP Shares under the SPP than applied for under the SPP at its complete discretion, including if the Company believes the issue of those SPP Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

Directors' authorisation

This Offer Booklet is authorised by each Director, who has given and not withdrawn their consent to the issue of this Offer Booklet.

4. Glossary and interpretation

8.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

AEDT	means Australian Eastern Daylight Time
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited or, as the context requires, the financial market known as the Australian Securities Exchange operated by it
ASX Listing Rules	the official listing rules of the ASX as amended or replaced from time to time
Board	the board of directors of HCD
Business Day	means a day which is not a Saturday, Sunday or a public holiday in Victoria, Australia
Closing Date	the deadline for accepting the SPP Offer, being 5.00pm (Melbourne time) on 5 February 2024 (subject to change)
Company or HCD	Hydrocarbon Dynamics Limited (ABN 75 117 387 354)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Custodian	means a person: (a) that holds an Australian financial services licence that: (i) covers the provision of a custodial or depositary service; or (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or (b) that is exempt under: (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the Regulations); or (ii) paragraph 7.6.01(1)(na) of the Regulations; or (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (ii)(a); or (vi) paragraph 911A(2)(h) of the Act; - from the requirement to hold an Australian financial services license for the provision of a custodial or depositary service; or (c) that is a trustee of a: (i) self-managed superannuation fund; or (ii) superannuation master trust; or (d) that is the responsible entity of an IDPS-like scheme; or that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.
Directors	the directors of Hydrocarbon Dynamics Limited
Eligible Beneficiary	means a person who would otherwise satisfy the definition of an Eligible Shareholder but for they hold a beneficial interest in Shares and whose legal interest in Shares is held by a Custodian.
Eligible Shareholder	means Shareholders: (a) who were registered holders of Shares on the Record Date and are not Directors or their associates; and (b) whose registered address was in Australia or New Zealand; (c) are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (U.S. Persons) or acting for the account or benefit of U.S. Persons; and (d) are eligible under all applicable securities laws to receive an offer under the SPP Offer.
Offer Price	the price payable for each New Share under the Share Purchase Plan Offer, being 0.45 cents

New Shares	the Shares offered pursuant to the Share Purchase Plan
Offer Booklet	Means this offer booklet
Record Date	5.00pm (Melbourne time) on 12 January 2024
Share	a fully paid ordinary share in the capital of Hydrocarbon Dynamics Limited
Shareholder	a registered holder of Shares
Share Registry	Automic Group
SPP or Share Purchase Plan	means the Company's share purchase plan dated on or about the date of this Offer Booklet.
SPP Offer	means the offer to SPP Subscribers of up to \$30,000 SPP Shares at an offer price of 0.45 cents
SPP Share	means a new Share subscribed for under the SPP.
SPP Subscribers	Means Eligible Shareholders
United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

4.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this document have corresponding meanings;
- (d) terms used in this document and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (e) other grammatical forms of a word or phrase defined in this document have a corresponding meaning; and
- (f) a reference to a Section is a reference to a Section of this Offer Booklet.

5. Corporate Directory

COMPANY NAME	Hydrocarbon Dynamics Limited
ASX CODE	HCD
DIRECTORS	Stephen Mitchell – Non-Executive Chairman Nick Castellano - Executive Director Andrew Seaton - Non-Executive Director Ray Shorrocks - Non-Executive Director
COMPANY SECRETARY	Julie Edwards
HEAD OFFICE	Level 6 412 Collins Street Melbourne VIC 3000
SHARE REGISTRY	Automic Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664 (within Australia) Tel: +61 2 9698 5414 (within and outside Australia)
