

ASX RELEASE

25 October 2021

Company Announcements Office
Australian Securities Exchange Limited
4th Floor
SYDNEY NSW 2000

Dear Sir/Madam

ACAP EXECUTIVE AND CONSULTANT SHARE OPTION SCHEME

Acap Energy Ltd (ASX: ACB) (Inca or the Company) has resolved to issue :

1. 14,500,000 options to consultants in both Australia and Botswana under the Executive and Consultant Share Option Scheme approved by Shareholders at the Company's 2018 AGM; and
2. Subject to Shareholder approval (to be sought at the forthcoming AGM), 24,000,000 options to directors under the Director Long Term Incentive Plan.

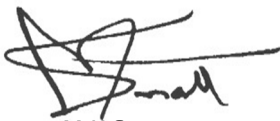
Given the current status of both the Australian and Botswana Projects, an incentive at this time is believed to be appropriate.

The decision to grant these options was made on 18 October and the 30 VWAP was \$9.06 cents and a strike price of some 24% above was determined. The exercise price is 11 cents with an expiry on 31 October 2024.

The Terms of the options issued to employees are attached. An appendix 3G for the issue to consultants accompanies this announcement

This announcement is authorised for release by the Board of A-Cap Energy Limited. For further information about this announcement please contact Mal Smartt, company secretary, on +61 419 997 171 or mal.smartt@hotmail.com.

Yours sincerely



M K Smartt
Company Secretary

Rights and liability attaching to Management Options

- a. **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option before the Expiry Date.
- b. **Vesting condition:** The Options vest upon the Company acquiring a 55% interest in the Wilconi Project and the average closing price for 10 consecutive trading days is \$0.11.
- c. **Exercise Price** - The amount payable on exercise of each Option will be \$0.11 (Exercise Price):
- d. **Expiry Date** - The Options will expire at 5.00pm (AEST) on 31 October 2024 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- e. **Exercise Period** - Options may be exercised at any time prior to the Expiry Date (Exercise Period).
- f. **Notice of Exercise**
 - i. The Options may be exercised by notice in writing to the Company (Exercise Notice) and payment of the Exercise Price, in Australian currency, for each Option being exercised.
 - ii. A minimum of 5,000 Options (having a total exercise price of \$500) must be exercised at any time. Where an option holder holds less than 5,000 Options then they must exercise their entire holding of Options.
- g. **Exercise Date:** Any Exercise Notice received by the Company will be deemed effective on and from the later of: (i) the date of receipt of the Exercise Notice and (ii) the date of Company's receipt of the Exercise Price, for each Option being exercised, in cleared funds (Exercise Date).
- h. **Timing of Issue of Shares on Exercise:** Within 15 Business Days after a Option is validly exercised or or such other period specified by the Listing Rules, the Company will:
 - i. allot and issue that number of Shares pursuant to the exercise of the Options; and
 - ii. if admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.
- i. **Shares Issued on Exercise:** Shares issued pursuant to the exercise of the Options will rank equally with the then issued Shares of the Company.
- j. **Quotation of Shares on Exercise:** If admitted to the official list of the ASX at the time, the Company will apply for Official Quotation of the Shares issued pursuant to the exercise of the Options.
- k. **Participation in New Issues:** There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options without exercising the Options.
- l. **Reconstruction of Capital:** If at any time the issued share capital of the Company is reconstructed, all rights of a Option holder will be varied to comply with the Corporations Act and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- m. **Options Transferable** - The Options are transferable.
- n. **Change in Exercise Price:** A Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the **Option** can be exercised.
- o. **Adjustments for Rights Issues:** If the Company makes a pro rate issue of Shares to existing Shareholders, there will be no adjustment to the Exercise Price of a Option.
- p. **Adjustment for Bonus Issue of Shares**
 - i. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in satisfaction of dividends or by way of dividend reinvestment):
 - ii. The number of Shares which must be issued on the exercise of a Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - iii. there will be no adjustment to the Exercise Price of a Option.