

ASX Announcement Contango MicroCap Limited

04 November 2016

CTN sells 38% stake in Contango Income Generator Limited (“CIE”)

Contango Microcap Limited (“CTN” or “The Company”) wishes to advise that it was recently approached by a buying consortium seeking to acquire the Company’s holding in CIE.

Holding a 38% strategic stake of CIE as its cornerstone investor, the investment was originally entered into as part of CTN’s quest to grow its funds management business - Contango Asset Management Limited. Having recently sold the funds manager, the Board considered this an opportune time to obtain a significant exit of the investment in a single transaction and at an appropriate price.

The Company is now pleased to announce that it has reached an arrangement with the buying consortium to sell its 30 million shares in CIE at a price of \$0.94 per share.

The price is at a 3.7% discount to the recently announced Net Tangible Asset value of CIE as at 31 October 2016 (\$0.976) – an exceptional outcome given the magnitude of the transaction and volatility in markets over recent days.

This large position has been delivered primarily through a book-build process that could see an estimated 500 new shareholders joining CIE’s register.

26.75m of the 30m shares (89%) has been sold through a book-build process managed by Taylor Collison. The remaining 3.25m shares will be offered to existing CTN shareholders underwritten by Taylor Collison.

CTN was the first ASX micro-cap LIC and has an investment return exceeding 16%pa since its inception in 2004. Investors are attracted to LIC’s because of their ASX listing, transparency, corporate structure and ability to pay franked dividends.

Both CTN’s and CIE’s investment portfolios both continue to be managed by Contango Funds Management Limited – a wholly owned subsidiary of Contango Asset Management Limited (ASX code: “CGA”).

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