

IMPORTANT INFORMATION FOR CIE OPTION HOLDERS

Dear CIE Option holder

Valuable Loyalty Incentive to Exercise your CIE Options

The Board is pleased to advise that the investment manager of your company is offering a valuable Loyalty Incentive to you as the registered holder of Vested Loyalty Options expiring 30 March 2018 @ \$1.00 (**Options**) in Contango Income Generator Limited (the **Company** or **CIE**).

Contango Asset Management Limited is offering to contribute a Loyalty Incentive of 1.5 cents for every Option you elect to exercise on or before 26 September 2017.

Your Options are exercisable at any time up to 30 March 2018 and shares issued upon the exercise of the Options participate fully in dividend payments from the date of exercise.

The Board of CIE announced on 6 September 2017 that it had revised the Company's dividend policy to increase the frequency of dividends by making quarterly dividend payments to shareholders, effective in the current 2018 financial year.#

The Company has already declared a final dividend in respect of the 2017 financial year of 3.5 cents per share (50% franked), with the record date for the final dividend of 26 September 2017 and the dividend to be paid on 5 October 2017.

The revised dividend policy means that shareholders can now expect to receive an additional interim cash dividend payment in calendar year 2017 in respect of the September 2017 quarter, to be paid in December 2017, as well as the December 2017 interim quarterly dividend, to be paid in March 2018.#

Option holders who exercise their Options on or before 26 September 2017 should therefore receive three dividend payments prior to the Option expiry date of 30 March 2018.#

Your directors consider this to be an **attractive** offer for the following reasons:

- CIE has performed strongly since inception (August 2015) returning 10.46% and outperforming the ASX All Ordinaries Accumulation Index by 2.19% during that time.
- The Loyalty Incentive means that you will only have to contribute \$0.985 for every Option that you exercise, instead of the \$1.00 required to exercise your Options if you do not take up this offer.
- The Loyalty Incentive allows you to acquire CIE shares at a discount to:
 - the last sale price of CIE shares on ASX of \$1.00 per share on 8 September 2017;
 - the net tangible asset backing per CIE share before tax of \$1.045 as at 31 August

Contango Income Generator Limited

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2017; and

– the net tangible asset backing per CIE share after tax of \$1.023 as at 31 August 2017.

- The cost of the Loyalty Incentive is being borne fully by the investment manager, at no cost to the Company.
- You should receive three dividend payments prior to 30 March 2018 if you accept the offer to exercise your Options on or before 26 September 2017.
- CIE also offers an attractive dividend reinvestment plan that provides shareholders with the ability to reinvest their dividends at a 3% discount to market prices.
- The additional capital resulting from the exercise of Options will increase the scale of the Company, resulting in a reduction in CIE's management expense ratio.
- The increase in CIE's share capital should increase the market liquidity of CIE's shares making it easier for investors to buy and sell shares should they so wish.

To take advantage of this offer, you must exercise your Options in accordance with the instructions on the personalised Option Exercise Form by no later than 5pm on 26 September 2017.

If you have any queries regarding the Exercise of Options notice or need assistance in completing your Option Exercise Form, please call our Share Registry on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday.

Option Exercise Form and Payment must be received by 5:00PM (AEST) 26 September 2017 in order to receive the Loyalty Incentive.

Yours faithfully

Andrew MacDonald
Chairman

Declaration of dividends by the Company is at the full discretion of the Board. Whilst the Company has indicated its intention to pay quarterly dividends, consistent with its obligations at law and with prudent business practice the Board will in all cases fully consider the Company's financial position and ability to pay dividends before making any formal dividend declaration. Other than in respect of the change to quarterly dividend payments, the Company's dividend policy remains unchanged, including in respect of its aggregate annual payout rate.