13 July 2026

CAPITAL RAISE - UPDATE

Specialist resources services provider Babylon Pump & Power Limited ("Babylon" or "the Company") (ASX: BPP) wishes to provide the following update on its proposed Capital Raise as most recently announced to ASX on 24 June 2026.

Convertible Loans for short-term working capital

The Company has raised $0.4 million under convertible loans from entities associated with Non-Executive Chairman Jamie Cullen and 8.7% shareholder Byron Ynema, with up to a further $0.6 million to potentially be raised from other major shareholders and investors (**Convertible Loans**). Funds will be used for short-term working capital while the Capital Raise is undertaken.

The Convertible Loans are unsecured, convertible at the lender's election[1] at the same issue price, and at the same time, as Shares issued under the Capital Raise (subject to a floor of $0.05) (**Conversion Price**), accrue 11.0% pa interest, are repayable (with interest) on 3 July 2027[2] and can be repaid early if not fully converted by 31 October 2026.

Subject to Shareholder approval, the Company will issue each lender with that number of unlisted options ($0.10 exercise price, 3 year term) (**Convertible Loan Options**) determined by dividing their loan advance by the Conversion Price, with the agreed value of the Convertible Loan Options capitalised into the loan if Shareholder approval is not obtained.

Non-renounceable Rights Issue

The Company has resolved to undertake a pro rata non-renounceable rights issue (**Rights Issue**) to overcome a shortfall in working capital, satisfy the conditions imposed on the Company's revised loan facilities by NAB (as announced on 24 June 2026) (**NAB Conditions**) and to materially reduce the Company's debt levels.

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[1] Subject to Shareholder approval under Listing Rule 10.11 in the case of the Cullen convertible loan.
[2] Subject to Subordination Deeds each lender has entered into with the Company's senior secured lender, National Australia Bank Limited (NAB).

The Rights Issue will seek to raise up to ~$12.7 million (before costs) through the issue of up to ~254 million Shares, on the basis of two (2) Shares for every one (1) Share held, at an issue price of $0.05 per Share (**Issue Price**), a ~35% discount to the closing price of $0.077 on 19 April 2026 when the Company's Shares were suspended from trading.

The Company has appointed Leeuwin Wealth Pty Ltd (**Leeuwin Wealth**) and Cumulus Wealth Pty Ltd (**Cumulus Wealth**) as Joint Lead Managers and corporate advisors to the Rights Issue and is in negotiations with a view to appointing Leeuwin Wealth as partial underwriter for at least $7.27 million of the Rights Issue. The Joint Lead Managers have been appointed under an industry standard mandate.

Blue Hire Vendors

As announced to ASX on 2 June 2025 and 1 August 2025, the Blue Hire Vendors (Mr Byron Ynema and his associated entity, Royal Haze Pty Ltd) are entitled to deferred consideration of up to $8.2 million (**Deferred Consideration**) comprising up to $6.97 million in cash (**Deferred Cash**) and up to $1.23 million of Shares (**Deferred Shares**) contingent on the normalised 12-month revenue of the Blue Hire business to 30 June 2026. The Company anticipates that the full $8.2 million will be earned in August 2026.

One of the NAB Conditions is that at least $5.0 million of the Deferred Consideration otherwise payable to the Blue Hire Vendors must be satisfied through the issue of Shares during August 2026, with any additional deferred cash consideration payment deferred until after 1 July 2027.

The Blue Hire Vendors have indicated they are willing, subject to agreement of formal documents, to:

(a) sub-underwrite up to $5.0 million of the Rights Issue by way of debt for equity conversion, with the Deferred Cash reduced to the extent the sub-underwriting is called on; and

(b) for any unconverted Deferred Cash to be payable on 3 July 2027.

ASX Waivers

The Company has sought, and been granted, a waiver from ASX of Listing Rule 7.11.3 to permit the Rights Issue to be undertaken on a non-renounceable basis at a higher than 1:1 ratio.

The ratio of 2:1 was chosen for the following reasons:

(a) if a ratio of 1:1 was used, the Company would only be able to raise (based on the Issue Price, which was selected in consultation with the Joint Lead Managers), up to a maximum of ~$6.35 million (before costs);

(b) this would not allow the Company to raise sufficient funds to meet the NAB Conditions given:
   (i) at least $2.5 million in cash (before costs) is required to overcome a working capital shortfall and to repay NAB $1.25 million as required by the NAB Conditions; and
   (ii) a shortfall to the Rights Issue of at least $5.0 million is required for the Blue Hire Vendors to sub-underwrite and convert up to $5.0 million in Deferred Consideration to meet the NAB Conditions;

(c) in addition, a ratio of 1:1 would not allow the Company to raise additional amounts in excess of the above to fund capital expenditure required to pursue growth opportunities in the Company's water equipment hire business; and

(d) a ratio of 2:1 allows sufficient capacity for the Company to achieve the above objectives.

The waiver is subject to a condition that the Rights Issue is made subject to shareholder approval. The Company will seek shareholder approval for the Rights Issue in due course. The votes of substantial shareholders, underwriters or sub-underwriters of the Rights Issue, any brokers or managers of the Rights Issue, and any of their respective associates will be excluded from voting on the relevant resolutions.

The Company has also been granted a waiver of ASX Listing Rule 7.15 to permit the Company to undertake the Rights Issue with a record date that is prior to the shareholders' meeting to approve the Rights Issue. The Company requires this waiver so that the Rights Issue can be completed during August 2026 in compliance with the NAB Conditions. The waiver is conditional upon the Company's securities not being reinstated to trading prior to that general meeting.

ASX has confirmed that the Company's Shares will remain suspended until the earlier of:

a) the release of an announcement confirming the completion of the Capital Raise; and

b) the commencement of trading on Monday, 31 August 2026, unless the Company requests that the suspension be lifted earlier.

Indicative Timetable

An indicative timetable for the Rights Issue (**Offer**) is provided below.

Action	**Date**
Lodgement of prospectus with the ASIC and ASX	Mon 20 July 2026
Dispatch NOM to shareholders	Wed 22 July 2026

"Ex" date	Thu 23 July 2026
Record Date for determining entitlements	7.00pm (AEDT) Fri 24 July 2026
Prospectus dispatched to Shareholders & Company announces this has been completed Offer opens	Wed 29 July 2026
Last day to extend Closing Date of the Offer	Before 12.00pm (AEST) Wed 19 August 2026
Shareholder meeting	Fri 21 August 2026
Closing Date of the Offer (5.00pm WST)	Mon 24 August 2026
Shares quoted on a deferred settlement basis	Tue 25 August 2026
Announcement of results of the Offer Issue date of Shares under the Offer and Shortfall / Lodge Appendix 2A and Appendix 3G	Fri 28 August 2026

* The dates above are indicative only and are subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Offer Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

This ASX release has been authorised by Managing Director Michael Shelby.

For more information, please contact:

Michael Shelby
Managing Director
+61 (0) 8 9454 6309
mshelby@babylonpumpandpower.com

Tim Dohrmann
NWR Communications
+61 (0) 468 420 846
tim@nwrcommunications.com.au

About Babylon Pump & Power Ltd

Babylon Pump & Power Ltd (ASX: BPP) is a provider of specialty mining services to the resources sector in Australia. The company is a specialist in high-pressure pumping, dewatering and project water management with decades of experience supplying and maintaining equipment in remote and offshore locations. Babylon also provides a full range of specialty power generation solutions, including system design, installation, commissioning, operations and maintenance services.

With a team of highly experienced technicians, Babylon also provides full maintenance and asset management services for high horsepower mobile equipment including engines, power train assemblies and components. Babylon is based in Perth with operations in Western Australia and Queensland.

Forward-Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.