
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Act of 1934

Date of Report (Date of earliest event reported): October 24, 2019

Synthesis Energy Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33522
(Commission
File Number)

20-2110031
(I.R.S. Employer
Identification No.)

One Riverway, Suite 1700
Houston, Texas
(Address of principal executive offices)

77056
(Zip Code)

(713) 579-0600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

As mentioned in the Current Report on Form 8-K of Synthesis Energy Systems, Inc. (the “Company”) filed on October 11, 2019, on October 24, 2019, the Company entered into a loan agreement (the “Loan Agreement”) with Australian Future Energy Pty Ltd (“AFE”), whereby the Company loaned a portion of the \$2,000,000 proceeds that it received under the securities purchase and exchange agreement dated October 10, 2019 between the Company and certain of the holders of the Company’s 11% senior secured debentures issued in October 2017.

Under the Loan Agreement, the Company loaned \$350,000 to AFE, which is amount is due in full on the later of March 31, 2020 or within five days following the closing of the transactions contemplated by the Agreement and Plan of Merger by and among the Company, SES Merger Sub, Inc. and AFE dated October 10, 2019. If the merger transaction does not close, the loan will mature on the later of March 31, 2020 or three months following the special meeting of the Company’s stockholders called to approve the merger transactions. The loan accrues interest at 11% per annum and is also due in full upon repayment, subject to an increased default interest rate in certain limited circumstances.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The discussion in Item 1.01 regarding the Loan Agreement is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

10.1 [Loan Agreement between Synthesis Energy Systems, Inc. and Australian Future Energy Pty Ltd dated October 24, 2019.](#)

Forward-Looking Statements

This current report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of words such as “expects,” “believes,” “intends,” “anticipates,” “plans,” “estimates,” “potential,” “possible,” or “probable” or statements that certain actions, events or results “may,” “will,” “should,” or “could” be taken, occur or be achieved. The forward-looking statements include statements about future operations and the anticipated timing for closing the proposed merger. Forward-looking statements are based on current expectations and assumptions and analyses made by the Company and AFE in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances. However, whether actual results and developments will conform with expectations is subject to a number of risks and uncertainties, including but not limited to the possibility that the companies may be unable to obtain stockholder approval or satisfy the other conditions to closing. The Company’s annual report on Form 10-K for the year ended June 30, 2018, recent current reports on Form 8-K, and other SEC filings discuss some of the important risk factors identified that may affect its business, results of operations, and financial condition. The Company and AFE undertake no obligation to revise or update publicly any forward-looking statements, except as required by law.

Additional Information about the Transaction

In connection with the proposed transaction, the Company intends to file with the SEC a registration statement on Form S-4 that will include a proxy statement of the Company that also constitutes a prospectus of the Company relating to the Common Stock to be issued pursuant to the Merger. The proxy statement/prospectus will include important information about both the Company and AFE. The Company also plans to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT, THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY, AFE AND THE PROPOSED TRANSACTION. Investors and security holders may obtain these documents when available free of charge at the SEC's website at www.sec.gov. In addition, the documents filed with the SEC by the Company can be obtained free of charge from the Company's website at www.synthesisenergysystems.com.

Participants in Solicitation

The Company and its executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in respect of the proposed transaction. Information regarding the Company's directors and executive officers is available in its annual report on Form 10-K for the year ended June 30, 2018, which was filed with the SEC on November 14, 2018, and its proxy statement for its 2018 annual meeting of shareholders, which was filed with the SEC on April 29, 2019. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Synthesis Energy Systems, Inc.

Dated: October 25, 2019

/s/ Robert Rigdon

Robert Rigdon

President and Chief Executive Officer

Exhibit Index

10.1 [Loan Agreement between Synthesis Energy Systems, Inc. and Australian Future Energy Pty Ltd dated October 24, 2019.](#)

Loan Agreement (“Agreement”)

Australian Future Energy Pty Ltd and Synthesis Energy Systems, Inc

Provision of Short-Term Interim Funding

#	Section	Detail
1	Borrower	Australian Future Energy Pty Ltd (“AFE”) Level 10 10 Market Street Brisbane Qld 4000
2	Lender	Synthesis Energy Systems, Inc (“SES”) 1 Riverway Houston Texas 77056 United States of America
3	Background and Purpose	<p>On 10 October 2019, SES announced that it had signed a definitive Merger Agreement, whereby AFE, a private company incorporated in Brisbane, Australia in 2014, will merge with a wholly owned subsidiary of SES. As a result of the transaction, AFE will become a wholly owned subsidiary of SES. SES currently holds approximately 35% of the issued capital of AFE.</p> <p>In connection with the execution of the Merger Agreement, SES issued \$US 2,000,000 of 11% senior secured debentures to certain accredited investors, along with warrants to purchase \$4,000,000 of shares of SES’s common stock.</p> <p>SES shall receive the \$2,000,000, less legal and escrow agent fees of approximately \$36,000, pursuant to the Merger Debentures schedule, beginning seven business days after this announcement and concluding within two business days of stockholder approval of the merger.</p> <p>The merger debentures are intended to assist SES and AFE in financing the business through the closing of the merger.</p> <p>Both AFE and SES expect the merger to close in the first quarter of 2020.</p>
4	Purpose of Loan	To be used by AFE according to the budget attached in Appendix 1 – Budget and shall not deviate from the Budget by more than 25% on any line item and not exceed 10% in aggregate in any month without mutual written agreement of both AFE’s and SES’ CEO.

Commercially reasonable efforts shall be made by both AFE and SES to minimize expenses to close the proposed Merger transactions.

In the event that the proposed Reverse Merger transaction does not successfully complete, SES and AFE will work co-operatively together to review those costs incurred individually by either of SES or AFE that may have been of benefit to the other party, and to reasonably discuss and agree a method for the sharing of payment of such costs. SES and AFE agree that this will be likely to predominantly relate to Australian legal costs of King Wood Mallesons.

5 Loan Amount

\$US 350,000.

6 Funding Date

Loan Amount to be provided as one lump sum payment in cleared funds to AFE's normal cash operating account, with Westpac Banking Corporation, within 2 business days of signing this Agreement.

Account details :

Account Name : Australian Future Energy Pty Ltd
Bank : Westpac Banking Corporation
Customer ID Number : 8414 9681
BSB Number : 034-001
Account Number : 346 367

7 Term

The Loan is effective upon signing this agreement and receipt of Loan Amount by AFE and shall be due in full on March 31, 2020, or 3 months following the vote of the shareholders of SES in relation to the proposed Reverse Merger transaction, whichever is the later.

For the avoidance of doubt, the Loan Amount plus Interest remains payable in full by AFE to Lender until such time as the Repayment Amount is paid in full to Lender.

8 Security

In the event that the Reverse Merger transaction outlined in Section 3 above does not successfully complete, the Loan Amount will continue to accrue interest until the Loan Amount is repaid in full.

AFE acknowledges and understands that should the Loan Amount not be repaid by the Sunset Date it will be in default of this agreement.

The Parties shall undertake their commercially reasonable efforts to achieve a mutually agreeable settlement should AFE foresee that the Loan Amount cannot be repaid by the Sunset Date.

The Lender's right to collect shall be in accordance with prevailing law.

- 9 Interest** Interest will be charged on the Loan Amount on a simple interest basis, at the rate of 11.0% per annum, payable in full on the Repayment Date, in conjunction with repayment of the Loan Amount.
- Should the Loan Amount not be paid in full by the Sunset Date the interest rate shall increase to the Default Interest rate of 18%.
- 10 Repayment Amount** Loan Amount plus Interest and Default Interest, if any.
- 11 Repayment Date** The earlier of 5 days after completion of the Reverse Merger transaction as outlined in Section 3 above has completed on or around 31 March 2020.
- Upon successful completion of the Reverse Merger transaction the Loan Amount may be repaid in cash or converted to a shareholder loan from the SES parent company to AFE.
- In the event that the Reverse Merger transaction outlined in Section 3 above does not successfully complete, the Loan Amount will continue to accrue Interest and Default Interest until the Loan Amount is repaid in full.
- Final Sunset Date for repayment is the later of March 31, 2020 or 3 months following the vote of the shareholders of SES in relation to the proposed Reverse Merger transaction.
- 12 Notices**
- AFE :
Mr Kerry Parker
Chief Executive Officer
Australian Future Energy Pty Ltd
Level 10
10 Market Street
Brisbane Qld 4000
Email : k.parker@ausfutureenergy.com.au
- Lender Name :
Mr Robert Rigdon
President and Chief Executive Officer
Synthesis Energy Systems
1 Riverway
Houston Texas 77056
United States of America
Email : robert.rigdon@synthesisenergy.com
- 13 Governing Law** This agreement will be governed by the laws of Queensland, Australia as may apply from time to time.
- 14 Binding agreement** AFE and SES agree that this agreement is legally binding.
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Executed as An Agreement :
Australian Future Energy Pty Ltd
ABN 56 168 160 067
Level 10
10 Market Street
Brisbane Qld 4000

/s/ Edek Choros

Edek Choros
Director
Date October 25, 2019

/s/ Kerry Parker

Kerry Parker
Company Secretary
Date October 25, 2019

Synthesis Energy Systems, Inc
1 Riverway
Houston Texas 77056
United States of America

/s/ Robert W. Rigdon

Robert W. Rigdon
President and Chief Executive Officer
Synthesis Energy Systems, Inc
Date October 24, 2019
