

# ASX Release



**ORPHEUS**  
ENERGY

29 August 2017

## ORPHEUS ENERGY GENERAL MEETING

### Chairman's Address

Dear Fellow Shareholders

As you are aware, on 12 April 2017, Orpheus Energy Limited announced that it had entered into an Acquisition Agreement to acquire 100% of the issued capital of SenSen Networks Pty Ltd.

SenSen is an unlisted private company registered in Australia, and if approved, the Acquisition will result in a significant change in the nature and scale of the Company's activities. On and from completion the main business activity of the Company will involve providing innovative, data driven business process enhancement solutions, initially to the intelligent transportation and gaming sectors with a view to gradually expanding into other high growth market sectors, such as the retail, logistics, manufacturing, defence, security, and mining sectors.

The principal terms of the Acquisition include:

- **Consolidation** – a 10 for 1 Consolidation of Shares. Shareholders are given the opportunity to participate in the Share Purchase Plan;
- **Acquisition** – the proposed Acquisition of 100% of the issued capital of SenSen, the consideration for which will be the issue of new Consideration Shares to the vendors of SenSen shares by the Company;
- **Change of name** – the change of the Company's name to SenSen Networks Limited;
- **Director appointments & resignations** – the resignation of certain existing Directors and appointment of new Directors;
- **Capital Raising** – the issue of new Shares under a Prospectus for:
  - a. a Share Purchase Plan (to raise capital in the amount of \$1,500,000 by way of the issue of 15,000,000 Shares). This is both the minimum and maximum that can be issued under the Share Purchase Plan; and
  - b. General Offer (to raise capital of a minimum of \$3,000,000 and to a maximum of \$5,000,000 by way of the issue of 30,000,000 Shares and 50,000,000 Shares respectively). The Share Purchase Plan and the General Offer are not underwritten.

A table detailing the proposed capital restructure at the date that trading in the Company's Shares will recommence, including the various issues of equity to be made prior to that date is in the Notice of Meeting to Shareholders, but for ease of reference at today's meeting, copies are available at the Registration Desk.

In order to comply with the Corporations Act, the ASX Listing Rules and the Company's constitution, these proposals require the approval of Shareholders.

If the Acquisition is successfully completed:

- the Company will own 100% of the shares in the capital of SenSen and SenSen will be a wholly owned subsidiary of the Company;
- the Vendors will acquire a minimum of 72.6% of the Company (on issue of the Consideration Shares, assuming the maximum amount is raised under the Prospectus for the Share Purchase Plan and General Offer and assuming the issue of Shares on conversion of 50% of the Director Loans and CFO Loan and the issue of Shares on conversion of the Notes;
- The Proposed Directors will be appointed as Directors of Orpheus;
- The Retiring Directors will resign as Directors of Orpheus, noting that David Smith will be the only current Company Director that will remain on the Board;
- The name of Orpheus will change from Orpheus Energy Limited to 'SenSen Networks Limited'. There will also be a corresponding change to Orpheus's ASX code from 'OEG' to 'SNS';
- Orpheus will have raised capital under the Prospectus for the Share Purchase Plan and the General Offer in the total amount of between \$4,500,000 - \$6,500,000 (subject to whether the Minimum Subscription or Maximum Subscription is raised under the General Offer and the requirement for the Subscription Amount of \$1,500,000 to be raised under the Share Purchase Plan) at an issue price of \$0.10 per Share following the issue of between 45,000,000 to 65,000,000 Shares;
- 50% of the Director Loans and the CFO Loan will be converted in to Shares

In considering the Acquisition, the Directors without any interest in the Acquisition, engaged BDO Corporate Finance (QLD) Ltd as an Independent Expert, to prepare an Independent Experts report.

This report, included in the Notice of Meeting to Shareholders has concluded that the Acquisition is fair and reasonable to the non-associated Shareholders as a whole.

Thank you



Wayne Mitchell  
Executive Chairman

