

Mercantile OFM Pty Limited

Level 5, 139 Macquarie Street
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Tel 02 9252 9697
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22 August 2018

ASX ANNOUNCEMENT

COMPULSORY ACQUISITION OF SHARES IN IPE LIMITED

As announced previously to the ASX, Mercantile OFM Pty Limited (**Mercantile OFM**) has a relevant interest in greater than 90% of IPE Limited (ACN 107 843 381) (ASX code: IPE) (**IPE**).

As a result of having a relevant interest in greater than 90% of IPE, Mercantile OFM intends to compulsorily acquire any IPE shares that are not accepted into its takeover offer.

Compulsory acquisition notices will be dispatched to all IPE shareholders who have not accepted Mercantile OFM's offer shortly.

In due course, IPE will be suspended and removed from the official list of ASX.

Mercantile OFM's offer price of \$0.0775 cash per IPE share is **FINAL** and Mercantile OFM's offer will not be extended further.

IPE shareholders who have not accepted Mercantile OFM's offer may still do so until 5:00pm (Sydney time) on 31 August 2018 (being the scheduled closing time for the offer).

Accepting shareholders will be paid approximately 7 business days after receipt of a valid acceptance.

IPE shareholders who do not accept Mercantile OFM's offer will have their shares compulsorily acquired and will receive their consideration a number of weeks later than shareholders who accept Mercantile OFM's offer now.

For further information, contact:

Gabriel Radzyninski

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Mercantile OFM Pty Limited

Level 5, 139 Macquarie Street
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22 August 2018

Dear IPE Shareholder,

Compulsory acquisition of shares in IPE Limited

As you may be aware, Mercantile OFM Pty Limited (**Mercantile OFM**) has a relevant interest in more than 90% of the shares in IPE Limited (**IPE**) and has acquired more than 75% of the IPE shares that it offered to acquire under its takeover bid.

As previously announced to the ASX, Mercantile OFM will proceed to compulsorily acquire any IPE shares that are not accepted into its takeover offer.

IPE shareholders who have not accepted Mercantile OFM's offer may still do so by 5:00pm (Sydney time) on 31 August 2018 (being the scheduled closing time for the offer). IPE shareholders who accept the offer by this date will receive the consideration for their IPE shares earlier, instead of having to wait for their IPE shares to be compulsorily acquired under the compulsory acquisition process.

Mercantile OFM's offer price of \$0.0775 cash per IPE share is FINAL and Mercantile OFM's offer will not be extended further.

Mercantile OFM will acquire any shares remaining after the close of the offer, under the compulsory acquisition provisions of the Corporations Act 2001 (Cth). The compulsory acquisition will be on the same terms as the offer (i.e. cash consideration of \$0.0775 cash per IPE share).

If you do not accept the offer before the scheduled closing time for the offer, on completion of the compulsory acquisition procedure, Mercantile OFM will pay the consideration for your IPE shares. Subject to the Corporations Act 2001 (Cth), this is expected to occur 5 to 6 weeks after the date of this letter.

See also the enclosed copy of ASIC Form 6021 – Notice of compulsory acquisition following takeover bid (**Notice**), which sets out the compulsory acquisition process and your rights.

Under ASX Listing Rule 17.4, ASX will suspend quotation of IPE shares 5 business days after the date of the Notice. Once suspended, ASX will remove IPE from the official list at the closing of trading on a date to be determined.

Yours sincerely,

Gabriel Radzynski
Director
Mercantile OFM Pty Limited

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

Name of target company or body

Tick applicable box(es)

Name of bidder

Tick one box

Date offers closed or are scheduled to close

Tick applicable box(es).
(See subsection 661A(4) and (4A))

Description of securities

Description of securities

Tick one box

To each holder of:

ORDINARY SHARES

('Bid Class Securities')

in

Name ('the Company')

IPE LIMITED

ACN/ARBN/ARSN

107 843 381

☐ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.

☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

1. Under a takeover bid offers were made by

MERCANTILE OFM PTY LTD

in respect of the acquisition of Bid Class Securities in the company.

The offers

☐ closed

☒ are scheduled to close

on

Date

3 1 0 8 / 1 8
[D] [D] [M] [M] [Y] [Y]

2. You are, as at the date of this notice, the holder of one or more of the following

☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)

☐ securities to which the bid related issued after the end of the offer period and before the date of this notice

☐ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related

☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

☐ the following securities in the bid class in which the bidder has a relevant interest

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

☒ 661A(1)

☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

Details of alternative terms.

Set out the terms that will apply

Tick one box

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

2	2	0	8	/	1	8
[D]	[D]	[M]	[M]		[Y]	[Y]

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
- ☐ this notice was given.
- ☐ the end of the offer period.
7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

Mercantile OFM Pty Limited

Capacity

Director

Signature



Date signed

2	2	0	8	/	1	8
[D]	[D]	[M]	[M]		[Y]	[Y]