

COMPANY ANNOUNCEMENT

2 NOVEMBER 2018

UPDATE ON PROPOSED TRANSACTION

Phileo Australia Limited (**Phileo**) is pleased to provide the following update on the proposed transaction announced on 5 October 2018 under which Phileo will:

- undertake a selective capital return under which a maximum of 10.5 million Phileo shares will be cancelled in exchange for \$12.66 cash per cancelled share (**Capital Return**); and
- apply to remove Phileo from the official list of the Australian Securities Exchange following the Capital Return (**Delisting**),

(together, **Proposed Transaction**).

FIRB clearance

As previously announced, Puico Enterprises Corporation, Sovielle Holdings Limited and Belandas Group Limited, being the three Phileo shareholders who have provided a statement of current intention to opt-out of the Capital Return, have sought clearance from the Foreign Investment Review Board (**FIRB**) in respect of the proportionate increase in their shareholding if the Capital Return is approved and implemented.

Each of the above shareholders have now received notification from FIRB confirming that no further action is required from a FIRB perspective for these three shareholders to opt-out of the Capital Return.

Accordingly, the condition of the Proposed Transaction that FIRB clearance is received by each of these Shareholders is now satisfied.

Date of shareholder meetings

The date on which Phileo shareholders will meet to consider and vote on the Proposed Transaction has been set for **Thursday, 20 December 2018**. There will be three consecutive meetings on that date, including the Annual General Meeting of Phileo, with the first meeting commencing at 10.00am (Melbourne time).

The notices of meeting, explanatory statement and supporting materials will be sent to Phileo shareholders on or about Monday, 19 November 2018. These will include an independent expert's report from Ernst & Young Transaction Advisory Services opining on whether the Capital Return is fair and reasonable to shareholders as a whole.