



Via ASX Online

**ASX Market Announcements Office
ASX Limited**

22 July 2014

**COMPANY RESPONSE TO SECTION 249F
NOTICE OF EXTRAORDINARY GENERAL MEETING**

On 15 July 2014 the Company advised shareholders it had received a ~~%Notice of Extraordinary General Meeting+~~ (~~%Notice+~~) from Nottingham Funds Management Pty Ltd (~~%Nottingham+~~) (a company controlled by Mr Darren Olney-Fraser) purportedly calling and arranging a general meeting of shareholders (pursuant to section 249F of the Corporations Act) for 15 August 2014 (~~%EGM+~~) in order to resolve to remove Mr John Pereira as a director of the Company, and to resolve to appoint Mr Carl Clump as a director of the Company.

The Company has received legal advice that the resolution in the Notice calling for the removal of Mr John Pereira as a director of the Company is invalid.

Section 203D(2) of the Corporations Act states that a ~~%notice of intention to move the resolution~~ must be given to the company at least 2 months before the meeting is to be held.+

In the present circumstances, Nottingham did not provide the Company with the requisite notice of intention at least 2 months before the EGM to move the resolution to remove Mr John Pereira as a director of the Company.

Accordingly, this resolution cannot and will not be put to shareholders at the EGM.

With respect to the Explanatory Statement provided by Nottingham to shareholders in the Notice, the Company advises shareholders that on several occasions it invited Nottingham to substantiate the alleged ~~%underwriting offer+~~ by Alignment Capital Pty Ltd (~~%Alignment+~~) of a proposed rights issue at \$0.25 per share, up to \$2M (~~%Proposed Underwritten Rights Issue+~~). The only documentation provided by Nottingham to the Company with respect to the Proposed Underwritten Rights Issue is the letter from Alignment (included in the Explanatory Statement provided by Nottingham to shareholders in the Notice) entitled ~~%Commitment to participate in Stanfield Funds Management proposed underwritten rights issue.~~" ("**Commitment Letter+**")

As advised on several prior occasions by the Company to Nottingham, the Commitment Letter:

- is not a legally binding underwriting agreement;
- is not addressed to the Company (and therefore, cannot be relied upon by the Company or shareholders) (and the identity of the addressee, NVNG Pty Ltd, is unknown to the Company);
- cannot be properly classified as an underwriting agreement for the purposes of qualifying as a valid exception to the takeover prohibition.

The Company has not been provided with a proposed underwriting agreement by Alignment for its consideration, nor been afforded an opportunity to meet with Alignment to discuss the details of the Proposed Underwritten Rights Issue. Despite several requests to Nottingham, the Company has not been provided with any business plan from any party that might shed light on the anticipated use of funds raised under the Proposed Underwritten Right Issue. Although an introductory meeting with Boardroom Capital and Sprooki Pte Ltd . a company on which Carl Clump is an Advisory Board member . was held no further substantive information was provided.

In the context of the guidance provided by ASIC in Regulatory Guide 6 (Takeover: Exceptions to the General Prohibition), the Company considers the Proposed Underwritten Rights Issue may be designed to avoid the purposes of Chapter 6 (Takeovers) of the Corporations Act, or have an unacceptable control effect, and therefore be liable to application by ASIC to the Takeovers Panel for a declaration of unacceptable circumstances.

Further, the pricing of the Proposed Underwritten Rights Issue is not reflective of the present underlying value of the assets of the Company, and the market capitalisation of the Company, and therefore may be designed to discourage shareholder participation. Based on the information provided to the Company by Nottingham, if the Proposed Underwritten Rights Issue were allowed to proceed (assuming there is a valid underwriting agreement in place), the underwriters could obtain control of the Company, in the absence of a formal takeover bid, or shareholder approval, in purported reliance of the exceptions in the Corporations Act to the takeover prohibition.

In the absence of adequate disclosure by Nottingham and Alignment about the potential effect and consequences a rights issue or underwriting arrangement may have on control of the Company, the acquisition of control under the Proposed Underwritten Rights Issue would not take place in an efficient, competitive and informed market consistent with the objectives of Chapter 6 (ASIC RG 6.95). Further inadequate disclosure may also adversely impact existing holders willingness to participate, potentially exacerbating any control effect. (ASIC RG 6.95)

Given the Proposed Underwritten Rights Issue is conditional on the carry of the resolution for the appointment Mr Carl Clump as a director of the Company, the Company is of the view that shareholders have not been provided with sufficient information by Nottingham so that shareholders can decide whether or not to attend the meeting (in person or by proxy), and, if so, whether to vote for or against the proposed resolution for the appointment of Mr Clump as a director of the Company.

The Company has made significant progress in negotiations with respect to certain resource and energy sector projects consistent with the Company's focus on Asia, which it anticipates will be finalised in the near future and disclosed to shareholders at the appropriate time.

The Company anticipates providing further update to shareholders in respect of the Notice in the next few days once it has received legal advices as to the Company's legal remedies in the present circumstances.

For further information, please contact:

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Stanfield Funds Management Limited

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