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5 November 2014

NEON ENERGY AND MEO AUSTRALIA ANNOUNCE PROPOSED MERGER OF EQUALS

Transaction overview

- All scrip merger of equals between Neon and MEO
- Merger to be implemented by way of MEO scheme of arrangement
- Neon shareholders and MEO shareholders to each hold 50% of the Merged Group
- MEO shareholders to receive 0.7369 Neon shares for each MEO share held
- Board of the Merged Group to comprise two Directors from Neon and two Directors from MEO
- Merger has the unanimous support of the Neon Board and the MEO Board

Transaction highlights

- The Merged Group will be in a strong financial position with pro forma net cash of A\$37.0 million¹
- The Merged Group will significantly reduce corporate overhead costs through rationalisation of the combined corporate structure, targeting a reduction from approximately A\$8.5 million of combined annual overheads to approximately A\$3.5 million per annum
- The Merger represents a compelling proposition for the shareholders of both companies by providing exposure to a larger and well-funded E&P investment vehicle. The Merged Group will be positioned for substantial growth from the combined asset and new ventures portfolios as well as business development opportunities in the E&P sector
- The Neon Board considers that the Merger provides Neon shareholders with a superior alternative to the Evoworld proportional takeover offer. It is a condition precedent of the Merger that Neon shareholders do not approve the Evoworld offer or Evoworld's resolutions to replace a majority of the current Neon Board with its own nominee directors
- The Merger will combine the skills and experience of the two companies. The Merged Group will have the capital and human resources to transform into a robust and cash-generative junior exploration and production company

¹ As at 30 September 2014. Based on Neon cash balance of A\$25.3 million (including cash on deposit of \$A1.1 million and cash held in escrow of \$A4.6 million) and MEO cash balance of A\$11.7 million. Excludes merger implementation costs.

Overview

Neon Energy Limited ("**Neon**") and MEO Australia Limited ("**MEO**") today announced that they have entered into a Merger Implementation Agreement ("**MIA**"), under which they have agreed to merge by way of an MEO scheme of arrangement (the "**Merger**").

Under the Merger, MEO shareholders will receive 0.7369 Neon shares for each MEO share they hold. Following implementation of the Merger, Neon shareholders and MEO shareholders will each hold 50% of the Merged Group.

The transaction will combine Neon's cash resources with MEO's diverse portfolio to create a well-capitalised junior E&P company, positioned to take advantage of existing opportunities within the combined asset and new ventures portfolios as well as further business development opportunities in the E&P sector.

The Merger has the unanimous support of the Neon Board and the MEO Board.

The Neon Board considers the Merger a superior alternative to the Evoworld offer. The Neon Directors recommend that Neon shareholders vote against the resolution to approve the Evoworld offer and against the resolutions to replace the current Neon Board with Evoworld's nominees at the general meetings scheduled for 12 November 2014.

The MEO Directors unanimously recommend that MEO shareholders vote in favour of the Merger and intend to vote all MEO shares they own or control in favour of the Merger, in each case in the absence of a superior proposal and subject to an independent expert opining that the Merger is in the best interests of MEO shareholders.

Rationale for the Merger

1. The Merged Group will be in a strong financial position to grow

- Following implementation of the Merger, the Merged Group will have a robust balance sheet with a pro forma net cash of A\$37.0 million²
- MEO's value realisation initiative in relation to the Tassie Shoal projects announced in August 2014 provides additional scope to further increase the balance sheet strength of the Merged Group, subject to a successful transaction arising out of that process
- In a constrained funding market, the Merged Group's robust financial position will place it at a distinct advantage to other junior ASX listed E&P companies. The Merged Group will have a strong platform from which to take advantage of existing opportunities within the combined portfolio as well as further business development opportunities in the E&P sector

2. The Merged Group has substantial opportunities to achieve cost savings through rationalisation of the combined corporate structure

² As at 30 September 2014. Based on Neon cash balance of A\$25.3 million (including cash on deposit of A\$1.1 million and cash held in escrow of A\$4.6 million) and MEO cash balance of A\$11.7 million. Excludes merger implementation costs.

- Consistent with a focus on delivering shareholder value and prudent deployment of cash resources, the Merged Group will undertake significant rationalisation of the combined cost base
 - Targeting a reduction from approximately A\$8.5 million of combined annual overheads to approximately A\$3.5 million per annum
- 3. The Neon Board considers that the Merger is superior to Evoworld Corporation's proportional takeover offer to Neon shareholders**
- The Merger is an alternative transaction to Evoworld's proportional takeover offer. It is a condition precedent of the Merger that Neon shareholders do not approve the resolution to accept the Evoworld offer or the resolutions to replace a majority of Neon's current Board with nominees of Evoworld
 - Neon's Directors recommend that Neon shareholders vote against the resolutions to replace the Neon Board with Evoworld's nominees at the general meetings to be held on 12 November 2014
 - Based on MEO's 30 day VWAP up to and including 4 November of 2.8 cents per share, the Merger implies a value for all Neon shares of 3.8 cents per share, well in excess of Evoworld's 3.5 cents per share offer (for only 30% of the shares not currently owned by Evoworld)
 - The Merger provides clarity as to the future direction of Neon. The Neon Board:
 - i. notes that Evoworld have provided little information regarding their intentions for Neon, should they gain control
 - ii. considers that if Evoworld's offer is successful, Evoworld will acquire effective control of Neon at a sizeable discount to Neon's cash backing, despite not holding a majority of shares on issue and despite not paying a premium to Neon shareholders for control or offering to acquire all shares in the company
 - iii. as set out in Neon's Notice of Extraordinary General Meeting, is concerned that minority shareholders may have been disenfranchised in previous transactions in which Evoworld's directors have been involved
 - iv. considers that the proposed Merger is in the best interests of all Neon shareholders
 - v. believes that Evoworld's nominees for the Neon Board lack independence and the necessary expertise to further enhance Neon's activities as an E&P company
- 4. The transaction provides both sets of shareholders with an ongoing E&P exposure with access to significant capital**
- The Merged Group will look to deploy its cash position into asset opportunities that will allow the Merged Group to become a robust and cash generative junior E&P company
 - The Merger represents an opportunity for MEO to access substantial funding and is significantly more attractive than alternative pathways to access an equivalent level of capital
 - In the current challenging funding environment, the MEO Board considers it unlikely that MEO could access an equivalent level of funding through the capital markets and that any funding available would likely need to be raised at a substantial discount to the prevailing MEO share price
- 5. The Merger will provide all shareholders with a more robust investment than Neon or MEO as standalone entities**

- The increased scale of the Merged Group has the potential to enhance the level of attention from analysts and investors seeking exposure to the oil and gas sector and may lead to increased liquidity in the after-market for the Merged Group's shares
- With a larger market value and free float, the Merged Group is likely to have greater access to capital markets and to growth opportunities than Neon or MEO as standalone entities

6. The Merger will combine the skills and experience of the two companies

- While the Merger will result in a material reduction in the head count of the combined group, the Merged Group will benefit from the considerable E&P experience available at Board and management level
- Peter Stickland as Chief Executive Officer of the Merged Group will lead a team of executives who will be responsible for progressing existing opportunities as well as securing attractive new venture opportunities

Neon's Chairman, Alan Stein said:

"With the strong cash position of the Merged Group along with prudent use of gearing, we will be well placed to pursue existing opportunities within the portfolio as well as meaningful acquisition opportunities in an increasingly attractive market for E&P buyers. For a long period, the ASX has lacked junior E&P companies with sustainable business models and ownership of material production and cash flow.

Through a disciplined approach to acquisitions and ruthless focus on costs, our goal is to materially enhance the net asset value of the group and to create an attractive investment destination for shareholders seeking exposure to the E&P sector. We think this is in stark contrast to Evoworld's offer to opportunistically acquire Neon shareholders' equity and gain control of Neon at a discount to the company's cash backing."

MEO's Acting Chairman, Stephen Hopley, said:

"Consolidation amongst emerging E&P companies is long overdue and makes strong strategic sense. The Merger provides MEO shareholders with the opportunity to retain exposure to a company with increased scale and capital to pursue value accretive growth opportunities. The Merger is also expected to result in a sharp reduction in the combined cost base of the Merged Group and a repositioning towards a production oriented strategy and strengthened platform from which to deliver future shareholder returns."

Board and Management

The leadership team of the Merged Group will reflect the nature of the transaction as a merger of equals. The Board of the Merged Group will comprise two current directors from Neon and two current directors from MEO. Alan Stein (the current Chairman of Neon and founder of Ophir Energy) will be Chairman of the Merged Group and Ken Charsinsky (the current Managing Director of Neon) will remain on the Board as a Non-Executive Director. Stephen Hopley (the current Acting Chairman of MEO) and Michael Sweeney (a current Non-Executive Director of MEO) will join the Board of the Merged Group as Non-Executive Directors.

Peter Stickland (the current Exploration Manager of MEO and previous Chief Executive Officer of Tap Oil) will be appointed Chief Executive Officer of the Merged Group. As previously announced, Jürgen Hendrich (the current Managing Director of MEO), will step down from his role at the end of January 2015.

The headquarters of the Merged Group will be located in Melbourne.

Key conditions

Neon and MEO have entered into a Merger Implementation Agreement, which sets out the conditions of the transaction including:

- receipt of regulatory and court approvals;
- MEO shareholder approval of the Merger (by at least 75% of votes cast and 50% of shareholders voting);
- an independent expert opining that the Merger is in the best interest of MEO shareholders;
- no material adverse change, prescribed occurrence or regulated event in respect of Neon or MEO;
- all performance rights issued by Neon are cancelled for nil consideration and no such right vests prior to cancellation; and
- Neon shareholders not approving the resolution to approve the Evoworld proportional takeover offer for Neon or replacement of a majority of the Neon Directors with nominees of Evoworld at the Neon general meetings convened for 12 November 2014.

The MIA also includes customary clauses for both Neon and MEO including mutual break fees, no shop and no talk provisions, and various other standard provisions relevant to the Merger, such as termination rights and the obligations of the companies in the lead up to implementation.

The full terms of the MIA are included as Appendix A to this announcement.

Timetable and implementation

The Merger will be implemented by way of a scheme of arrangement that is to be proposed by MEO and which will result in MEO shareholders exchanging their MEO shares for shares to be issued by Neon. A meeting of MEO shareholders to consider the Merger is expected to be held in late January and the Merger is expected to be implemented shortly thereafter. A scheme booklet setting out all relevant information for MEO shareholders, including an independent expert's report, will be sent to MEO shareholders prior to the meeting.

An indicative timetable of key events prior to implementation of the Merger is set out below. Further details on the timing and implementation of the Merger will be made available to MEO shareholders and Neon Shareholders upon release of the scheme booklet.

Event	Date
Announcement of the Merger	5 November 2014
Cut-off for proxies in relation to Evoworld's proportional takeover offer	2:00pm (WST) 10 November 2014
Cut-off for proxies in relation to Evoworld's proposal to replace Neon Directors	3:00pm (WST) 10 November 2014
Neon general meetings in relation to Evoworld proportional takeover bid and proposal to replace Neon Directors	12 November 2014
First Court hearing to approve scheme booklet and convene scheme meeting	Mid-December 2014
Scheme booklet despatched to MEO shareholders	Mid-December 2014
Scheme meeting for MEO shareholders	Late January 2015
Second Court hearing to approve the Scheme	Late January 2015 / early February 2015
Merger implementation	Late January 2015 / early February 2015

Advisers to the transaction

Neon has appointed Canaccord Genuity as financial adviser and Herbert Smith Freehills as legal adviser to the transaction.

MEO has appointed UBS AG, Australia Branch as financial adviser and Gilbert + Tobin as legal adviser to the transaction.

Further information

Neon
Alan Stein
Chairman
Tel: +61 (8) 9481 1176

MEO
Stephen Hopley
Acting Chairman
Tel: +61 (3) 8625 6000

Appendix A—Merger Implementation Agreement



HERBERT
SMITH
FREEHILLS

Deed

Merger implementation agreement

Neon Energy Limited

MEO Australia Limited



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Attachment 1

Scheme of arrangement	
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Attachment 2

Deed poll	
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Attachment 3

Conditions Precedent certificate	
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Merger implementation agreement

Date ▶ 5th Nov 2014

Between the parties

Neon	Neon Energy Limited ABN 49 002 796 974 of Ground Floor, 88 Colin Street, West Perth, Western Australia 6005
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MEO	MEO Australia Limited ABN 43 066 447 952 of Level 23, 500 Collins Street, Melbourne, Victoria 3000
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Recitals	<ol style="list-style-type: none">1 The parties have agreed that Neon will acquire all of the ordinary shares in MEO by means of a scheme of arrangement under Part 5.1 of the Corporations Act between MEO and the Scheme Shareholders.2 The parties have agreed to implement the scheme of arrangement on the terms and conditions set out in this deed.
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This deed witnesses as follows:



1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
Associate	the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this deed.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Perth and Melbourne, Australia.
Claim	<p>any claim, demand, legal proceedings or cause of action (including any claim, demand, legal proceedings or cause of action:</p> <ol style="list-style-type: none">1 based in contract (including breach of warranty);2 based in tort (including misrepresentation or negligence);3 under common law or equity; or4 under statute (including the Australian Consumer Law (being Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) (CCA)) or Part VI of the CCA, or like provision in any state or territory legislation)), <p>in any way relating to this deed or the Transaction, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this deed.</p>
Competing Proposal	<p>any proposal, agreement, arrangement or transaction, which, if entered into or completed, would result in:</p> <ol style="list-style-type: none">1 a Third Party (either alone or together with any Associate) directly or indirectly acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Neon Shares or the MEO Shares (as applicable) or of the share capital of any material Subsidiary of Neon or MEO (as applicable);

Term	Meaning
	<p>2 a Third Party (either alone or together with any Associate) acquiring Control of Neon or MEO (as applicable) or of any material Subsidiary of Neon or MEO (as applicable);</p> <p>3 a Third Party (either alone or together with any Associate) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, a substantial part of Neon's business or assets or the business or assets of the Neon Group or of MEO's business or assets or the business or assets of the MEO Group (as applicable);</p> <p>4 a Third Party (either alone or together with any Associate) otherwise directly or indirectly acquiring or merging with Neon or MEO (as applicable) or with a material Subsidiary of Neon or MEO (as applicable); or</p> <p>5 Neon or MEO (as applicable) being required to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.</p>
Condition Precedent	each of the conditions set out in clause 3.1.
Confidentiality Agreement	the mutual confidentiality deed between Neon and MEO dated on or about 3 October 2014.
Control	the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	such court of competent jurisdiction under the Corporations Act agreed to in writing by Neon and MEO.
Deed Poll	a deed poll substantially in the form of Attachment 2 under which Neon covenants in favour of the Scheme Shareholders to perform the obligations attributed to Neon under the Scheme.



Term	Meaning
Director MEO Share	any MEO Share: <ol style="list-style-type: none">1 held by or on behalf of a MEO Director; or2 listed as an indirect interest in an Appendix 3X or Appendix 3Y lodged by MEO with ASX in respect of any MEO Director.
Director Neon Share	any Neon Share: <ol style="list-style-type: none">1 held by or on behalf of a Neon Board Member; or2 listed as an indirect interest in an Appendix 3X or Appendix 3Y lodged by Neon with ASX in respect of any Neon Board Member.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	the date that is 6 months after the date of this deed, or such other date as agreed in writing by the parties.
Evoworld	Evoworld Corporation Pty Ltd (ACN 601 545 742).
Evoworld Bid	the proportional off-market takeover bid made by Evoworld, as contained in its bidder's statement dated 15 October 2014.
Excluded Shareholder	any MEO Shareholder who is a member of the Neon Group or any MEO Shareholder who holds any MEO Shares on behalf of, or for the benefit of, any member of the Neon Group and does not hold MEO Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from and including the date of this deed to the earlier of: <ol style="list-style-type: none">1 the date of termination of this deed;2 the End Date; and3 the Effective Date.
Fairly Disclosed	a reference to 'Fairly Disclosed' means disclosed to a party or any of its Related Persons to the extent that, and in sufficient detail so as to enable, a reasonable bidder or target, as applicable (or one of



Term	Meaning
	its Related Persons), experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the other party, to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).
Financial Advisor	any financial advisor retained by a party in relation to the Transaction or a Competing Proposal from time to time.
Financial Indebtedness	any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation, including under or in respect of any: <ol style="list-style-type: none">1 bill, bond, debenture, note or similar instrument;2 acceptance, endorsement or discounting arrangement;3 guarantee;4 finance or capital lease;5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or6 obligation to deliver goods or provide services paid for in advance by any financier.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Independent Expert	the independent expert in respect of the Scheme appointed by MEO.
Independent Expert's	the report to be issued by the Independent Expert in connection



Term	Meaning
Report	with the Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the MEO Share Register on the Scheme Record Date is a place outside Australia and its external territories or New Zealand, unless Neon determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Neon Shares when the Scheme becomes Effective.
Insolvency Event	means, in relation to an entity: <ol style="list-style-type: none">1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days);2 a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;3 the entity executing a deed of company arrangement;4 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed;5 the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or6 the entity being deregistered as a company or otherwise dissolved.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	a parcel of New Neon Shares having a value of not less than \$500 based on the closing price of fully paid ordinary shares of Neon on the ASX as at the Scheme Record Date.
Material Contract	any agreement, contract, deed or other arrangement or instrument to which a member of the MEO Group or Neon Group (as applicable) is a party that: <ol style="list-style-type: none">1 involves the provision of financial accommodation to any member of the MEO Group or Neon Group (as applicable);2 imposes obligations or liabilities on any party of at least \$500,000 per annum or \$500,000 over the life of the agreement, contract, deed or other arrangement or instrument;



Term	Meaning
	or 3 is material in the context of the businesses of the MEO Group or Neon Group (as applicable) taken as a whole.
MEO Board	the board of directors of MEO and a 'MEO Board Member' means any director of MEO comprising part of the MEO Board.
MEO Consolidated Tax Group	the consolidated group of which MEO is the head company (where 'consolidated group' and 'head company' have the same meaning as in the Tax Act).
MEO Director	A director of MEO.
MEO Disclosure Materials	<ol style="list-style-type: none">1 the documents and information contained in the data room made available by MEO to Neon and its Related Persons, the index of which has been initialled by, or on behalf of, the parties for identification prior to entry into this deed; and2 written responses from MEO and its Related Persons to requests for further information made by Neon and its Related Persons provided prior to entry into this deed.
MEO Group	MEO and each of its Subsidiaries, and a reference to a 'MEO Group Member' or a 'member of the MEO Group' is to MEO or any of its Subsidiaries.
MEO Indemnified Parties	MEO, its Subsidiaries and their respective directors, officers, employees and consultants.
MEO Information	information regarding the MEO Group prepared by MEO for inclusion in the Scheme Booklet, which to avoid doubt comprises the entirety of the Scheme Booklet but does not include the Neon Information, the Independent Expert's Report, any investigating accountant's report or any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to MEO.
MEO Material Adverse Change	an event, change, condition, matter, circumstance or thing (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have: <ol style="list-style-type: none">1 a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the

Term	Meaning
	<p>MEO Group taken as a whole;</p> <p>2 without limiting the generality of paragraph 1 above:</p> <ul style="list-style-type: none"> • the effect of a diminution in the value of the consolidated net assets of the MEO Group, taken as a whole, by at least \$2,000,000 against what it would reasonably have been expected to have been but for such Specified Event; or • the MEO Group being unable to carry on its business or operations, or exercise its rights or perform its obligations under its Material Contracts, in substantially the same manner as carried on as at the date of this deed, including as a result of a material regulatory approval, licence or permit being varied, revoked, cancelled or otherwise terminated, <p>other than those events, changes, conditions, matters, circumstances or things:</p> <p>3 required or permitted by this deed, the Scheme or the transactions contemplated by either;</p> <p>4 that are Fairly Disclosed in the MEO Disclosure Materials;</p> <p>5 that occur as a result of the execution of this deed or completion of the Transaction or MEO performing its obligations under this deed;</p> <p>6 agreed to in writing by Neon;</p> <p>7 arising from changes in economic or business conditions (excluding interest rates) that impact on MEO and its competitors in a similar manner; or</p> <p>8 that MEO Fairly Disclosed in an announcement made by MEO to ASX in the year prior to the date of this deed.</p>
MEO Option	an option granted by MEO prior to the date of this deed to acquire one unissued MEO Share, including options granted under the MEO Option Plan.
MEO Option Plan	MEO's Long Term Incentive Plan adopted by MEO on 13 September 2011.
MEO Optionholder	each person who is registered in the MEO register of optionholders as the holder of an MEO Option.
MEO Performance Right	a right granted by MEO prior to the date of this deed to acquire one unissued MEO Share for nil consideration.
MEO Performance	each person who is registered in the MEO register of performance

Term	Meaning
Right holder	right holders as the holder of an MEO Performance Right.
MEO Prescribed Occurrence	<p>other than as:</p> <ol style="list-style-type: none"> 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 Fairly Disclosed in the MEO Disclosure Materials; 3 agreed to in writing by Neon; or 4 Fairly Disclosed by MEO in an announcement made by MEO to ASX in the year prior to the date of this deed, <p>the occurrence of any of the following:</p> <ol style="list-style-type: none"> 1 MEO converting all or any of its shares into a larger or smaller number of shares; 2 a member of the MEO Group resolving to reduce its share capital in any way; 3 a member of the MEO Group: <ul style="list-style-type: none"> • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement under the Corporations Act; 4 a member of the MEO Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than: <ul style="list-style-type: none"> • to a directly or indirectly wholly-owned Subsidiary of MEO; or • the issue of shares on exercise of MEO Options and performance rights outstanding as at the date of this deed; 5 a member of the MEO Group issuing or agreeing to issue securities convertible into shares; 6 a member of the MEO Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property; 7 a member of the MEO Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due; or 8 an Insolvency Event occurs in relation to a member of the MEO Group.
MEO Registry	Link Market Services Limited (ABN 54 083 214 537).
MEO Regulated Event	<p>other than as:</p> <ol style="list-style-type: none"> 1 required or permitted by this deed, the Scheme or the

Term	Meaning
	<p>transactions contemplated by either;</p> <p>2 Fairly Disclosed in the MEO Disclosure Materials;</p> <p>3 agreed to in writing by Neon; or</p> <p>4 Fairly Disclosed by MEO in an announcement made by MEO to ASX by MEO in the year prior to the date of this deed,</p> <p>the occurrence of any of the following:</p> <p>1 MEO or a Subsidiary of MEO reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</p> <p>2 Neon becoming aware that the MEO Representation and Warranty in paragraph (j) of Schedule 3 is materially inaccurate;</p> <p>3 MEO declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;</p> <p>4 MEO amending the terms of the MEO Option Plan;</p> <p>5 a member of the MEO Group making any change to its constitution;</p> <p>6 a member of the MEO Group entering into a contract or commitment restraining a member of the MEO Group from competing with any person or conducting activities in any market;</p> <p>7 a member of the MEO Group:</p> <ul style="list-style-type: none"> • entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the MEO Group in excess of \$1,000,000 (individually or in aggregate) other than any payment required by law; • (without limiting the foregoing) agreeing to incur capital expenditure from the date of this deed of more than \$500,000 (individually or in aggregate); • waiving any material Third Party default where the financial impact on the MEO Group will be in excess of \$500,000 (individually or in aggregate); or • accepting as a compromise of a matter less than the full compensation due to a member of the MEO Group where the financial impact of the compromise on the MEO Group is more than \$500,000 (individually or in aggregate); <p>8 a member of the MEO Group providing financial accommodation other than to members of the MEO Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$500,000 (individually or in aggregate);</p> <p>9 a member of the MEO Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;</p> <p>10 a member of the MEO Group entering into or terminating, or</p>

Term	Meaning
	materially altering, varying or amending, any Material Contract, or waiving its rights under a Material Contract, in each case other than in the ordinary course of business;
11	any petroleum licence, title, concession, production sharing contract, risk service contract or similar authority to conduct petroleum exploration, appraisal, development or production activities in any jurisdiction held by an MEO Group Member is terminated or cancelled, other than as a result of the execution of this deed or completion of the Transaction or MEO performing its obligations under this deed;
12	a member of the MEO Group entering into, or resolving to enter into, a transaction with any related party of MEO (other than a related party which is a member of the MEO Group), as defined in section 228 of the Corporations Act;
13	a member of the MEO Group entering into or materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to: <ul style="list-style-type: none"> • contractual arrangements in effect on the date of this deed and which are contained in the MEO Disclosure Materials; or • MEO's policies and guidelines in effect on the date of this deed and which are contained in the MEO Disclosure Materials, <p>provided that the aggregate of all increases in compensation or benefits is no greater than \$50,000;</p>
14	a member of the MEO Group paying any of its directors or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this deed and which are contained in the MEO Disclosure Materials;
15	a member of the MEO Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this deed and which are contained in the MEO Disclosure Materials;
16	a member of the MEO Group amending in any material respect any arrangement with its Financial Advisor, or entering into arrangements with a new Financial Advisor, in respect of the Transaction or a Competing Proposal;
17	a member of the MEO Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards;
18	a member of the MEO Group doing anything that would result in a change in the MEO Consolidated Tax Group; or
19	notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the MEO



Term	Meaning
	<p>Group which could reasonably be expected to give rise to a liability for the MEO Group in excess of \$1,000,000 (Material Proceedings) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings and other than any Material Proceedings which arise as a result of the execution of this deed or completion of the Transaction or MEO performing its obligations under this deed. To avoid doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the MEO Group.</p>
MEO Representations and Warranties	the representations and warranties of MEO set out in Schedule 3.
MEO Share	a fully paid ordinary share in the capital of MEO.
MEO Share Register	the register of members of MEO maintained in accordance with the Corporations Act.
MEO Shareholder	each person who is registered as the holder of an MEO Share in the MEO Share Register.
Neon Board	the board of directors of Neon and a 'Neon Board Member' means any director of Neon comprising part of the Neon Board.
Neon Disclosure Materials	<ol style="list-style-type: none">1 the documents and information contained in the data room made available by Neon to MEO and its Related Persons, the index of which has been initialled by, or on behalf of, the parties for identification prior to entry into this deed; and2 written responses from Neon and its Related Persons to requests for further information made by MEO and its Related Persons provided prior to entry into this deed.
Neon Group	Neon and each of its Subsidiaries, and a reference to a 'Neon Group Member' or a 'member of the Neon Group' is to Neon or any of its Subsidiaries.
Neon Indemnified Parties	Neon, its Subsidiaries and their respective directors, officers, employees and consultants.



Term	Meaning
Neon Information	<p>information regarding the Neon Group, and the merged MEO–Neon entity following implementation of the Scheme, provided by Neon to MEO in writing for inclusion in the Scheme Booklet, being:</p> <ol style="list-style-type: none">1 any letter from Neon’s Chairman;2 information about Neon, other Neon Group Members, the businesses of the Neon Group, Neon’s interests and dealings in MEO Shares, Neon’s intentions for MEO and MEO’s employees, and funding for the Scheme; and3 any other information required under the Corporations Act, Corporations Regulations or RG 60 to enable the Scheme Booklet to be prepared that the parties agree is ‘Neon Information’ and that is identified in the Scheme Booklet as such, <p>and includes any information contained in the Scheme Booklet that is solely based on any information so provided by Neon.</p>
Neon Material Adverse Change	<p>an event, change, condition, matter, circumstance or thing (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:</p> <ol style="list-style-type: none">1 a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Neon Group taken as a whole;2 without limiting the generality of paragraph 1 above:3 the effect of a diminution in the value of the consolidated net assets of the Neon Group, taken as a whole, by at least \$2,000,000 against what it would reasonably have been expected to have been but for such Specified Event; or4 the Neon Group being unable to carry on its business or operations, or exercise its rights or perform its obligations under its Material Contracts, in substantially the same manner as carried on as at the date of this deed, including as a result of a material regulatory approval, licence or permit being varied, revoked, cancelled or otherwise terminated, <p>other than those events, changes, conditions, matters, circumstances or things:</p> <ol style="list-style-type: none">5 required or permitted by this deed, the Scheme or the transactions contemplated by either;6 that are Fairly Disclosed in the Neon Disclosure Materials;7 that arise or occur as a result of the execution of this deed or completion of the Transaction or Neon performing its obligations under this deed;8 agreed to in writing by MEO;9 arising from changes in economic or business conditions (excluding interest rates) that impact on Neon and its competitors in a similar manner; or



Term	Meaning
	10 that Neon Fairly Disclosed in an announcement made by Neon to ASX in the year prior to the date of this deed.
Neon Performance Right	a right granted by Neon prior to the date of this deed to acquire one unissued Neon Share for nil consideration.
Neon Prescribed Occurrence	<p>other than as:</p> <ol style="list-style-type: none">1 required or permitted by this deed, the Scheme or the transactions contemplated by either;2 Fairly Disclosed in the Neon Disclosure Materials;3 agreed to in writing by MEO; or4 Fairly Disclosed by Neon in an announcement made by Neon to ASX in the year prior to the date of this deed, <p>the occurrence of any of the following:</p> <ol style="list-style-type: none">1 Neon converting all or any of its shares into a larger or smaller number of shares;2 a member of the Neon Group resolving to reduce its share capital in any way;3 a member of the Neon Group:<ul style="list-style-type: none">• entering into a buy-back agreement; or• resolving to approve the terms of a buy-back agreement under the Corporations Act;4 a member of the Neon Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than:<ul style="list-style-type: none">• to a directly or indirectly wholly-owned Subsidiary of Neon; or• the issue of shares on exercise of Neon options and performance rights outstanding as at the date of this deed;5 a member of the Neon Group issuing or agreeing to issue securities convertible into shares;6 a member of the Neon Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;7 a member of the Neon Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due; or8 an Insolvency Event occurs in relation to a member of the Neon Group.
Neon Registry	Computershare Investor Services Pty Limited (ABN 48 078 279)

Term	Meaning
	277).
Neon Regulated Event	<p>other than as:</p> <ol style="list-style-type: none"> 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 Fairly Disclosed in the Neon Disclosure Materials; 3 agreed to in writing by MEO; or 4 Fairly Disclosed by Neon in an announcement made by Neon to ASX by Neon in the year prior to the date of this deed, <p>the occurrence of any of the following:</p> <ol style="list-style-type: none"> 1 Neon or a Subsidiary of Neon reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; 2 MEO becoming aware that the Neon Representation and Warranty in paragraph (j) of Schedule 2 is materially inaccurate; 3 Neon declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members; 4 Neon amending the terms of the Neon Option Plan; 5 a member of the Neon Group making any change to its constitution; 6 a member of the Neon Group entering into a contract or commitment restraining a member of the Neon Group from competing with any person or conducting activities in any market; 7 a member of the Neon Group: <ul style="list-style-type: none"> • entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the Neon Group in excess of \$1,000,000 (individually or in aggregate) other than any payment required by law; • (without limiting the foregoing) agreeing to incur capital expenditure from the date of this deed of more than \$500,000 (individually or in aggregate); • waiving any material Third Party default where the financial impact on the Neon Group will be in excess of \$500,000 (individually or in aggregate); or • accepting as a compromise of a matter less than the full compensation due to a member of the Neon Group where the financial impact of the compromise on the Neon Group is more than \$500,000 (individually or in aggregate); 8 a member of the Neon Group providing financial accommodation other than to members of the Neon Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$500,000 (individually or in aggregate);

Term	Meaning
	<p>9 a member of the Neon Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;</p>
	<p>10 a member of the Neon Group entering into, or resolving to enter into, a transaction with any related party of Neon (other than a related party which is a member of the Neon Group), as defined in section 228 of the Corporations Act;</p>
	<p>11 a member of the Neon Group entering into or terminating, or materially altering, varying or amending, any Material Contract, or waiving its rights under a Material Contract other than in the ordinary course of business;</p>
	<p>12 any petroleum licence, title, concession, production sharing contract, risk service contract or similar authority to conduct petroleum exploration, appraisal, development or production activities in any jurisdiction held by an Neon Group Member is terminated or cancelled, other than as a result of the execution of this deed or completion of the Transaction or Neon performing its obligations under this deed;</p>
	<p>13 a member of the Neon Group entering into or materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to:</p> <ul style="list-style-type: none"> • contractual arrangements in effect on the date of this deed and which are contained in the Neon Disclosure Materials; or • Neon's policies and guidelines in effect on the date of this deed and which are contained in the Neon Disclosure Materials, <p>provided that the aggregate of all increases in compensation or benefits is no greater than \$50,000;</p>
	<p>14 a member of the Neon Group paying any of its directors or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this deed and which are contained in the Neon Disclosure Materials;</p>
	<p>15 a member of the Neon Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this deed and which are contained in the Neon Disclosure Materials;</p>
	<p>16 a member of the Neon Group amending in any material respect any arrangement with its Financial Advisor, or entering into arrangements with a new Financial Advisor, in respect of the Transaction or a Competing Proposal;</p>
	<p>17 a member of the Neon Group changing any accounting policy applied by them to report their financial position other than any</p>



Term	Meaning
	change in policy required by a change in accounting standards;
	18 a member of the Neon Group doing anything that would result in a change in the Neon Consolidated Tax Group; or
	19 notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Neon Group which could reasonably be expected to give rise to a liability for the Neon Group in excess of \$1,000,000 (Material Proceedings) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings and other than any Material Proceedings which arise as a result of the execution of this deed or completion of the Transaction or Neon performing its obligations under this deed. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Neon Group.
Neon Representations and Warranties	the representations and warranties of Neon set out in Schedule 2.
Neon Shares	fully paid ordinary shares in the capital of Neon.
New Neon Share	a fully paid ordinary share in Neon to be issued to Scheme Shareholders under the Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to an MEO Shareholder, the address shown in the MEO Share Register as at the Scheme Record Date.
Regulator's Draft	the draft of the Scheme Booklet in a form which is agreed to between the parties and that is provided to ASIC for approval pursuant to subsection 411(2) of the Corporations Act.
Regulatory Approval	an approval or consent set out in clause 3.1(a).
Reimbursement Fee	\$400,000.
Related Bodies Corporate	the meaning set out in section 50 of the Corporations Act.



Term	Meaning
Related Person	<ol style="list-style-type: none">1 in respect of a party or its Related Bodies Corporate, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate; and2 in respect of a Financial Advisor, each director, officer, employee or contractor of that Financial Advisor.
Relevant Interest	the meaning given in sections 608 and 609 of the Corporations Act.
RG 60	Regulatory Guide 60 issued by ASIC in September 2011.
Sale Agent	a person appointed by Neon to sell the New Neon Shares that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between MEO and the Scheme Shareholders, the form of which is attached as Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Neon and MEO.
Scheme Booklet	<p>the scheme booklet to be prepared by MEO in respect of the Transaction in accordance with clause 5.1(a) in a form agreed between the parties to be despatched to the MEO Shareholders and which must include or be accompanied by:</p> <ul style="list-style-type: none">• a copy of the Scheme;• an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60;• the Independent Expert's Report;• a copy or summary of this deed;• a copy of the executed Deed Poll;• a notice of meeting; and• a proxy form.
Scheme Consideration	the consideration to be provided by Neon to each Scheme Shareholder for the transfer of each Scheme Share, being for each MEO Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.7369 New Neon Shares.
Scheme Meeting	the meeting of MEO Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any



Term	Meaning
	adjournment or postponement of that meeting.
Scheme Record Date	5.00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Shareholder	a holder of MEO Shares recorded in the MEO Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Shares	all MEO Shares held by the Scheme Shareholders as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Security Interest	the meaning given in section 51A of the Corporations Act.
Subsidiary	the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	<ol style="list-style-type: none">1 in relation to a Competing Proposal received by Neon, a bona fide Competing Proposal of the kind referred in paragraphs 2, 3 or 4 of the definition of Competing Proposal which the Neon Board, acting in good faith, determines:<ul style="list-style-type: none">• is reasonably capable of being valued and completed in a timely fashion, taking into account all aspects of the Competing Proposal; and• would, if completed substantially in accordance with its terms, be more favourable to Neon Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.2 in relation to a Competing Proposal received by MEO, a bona fide Competing Proposal of the kind referred to in paragraphs 2, 3 or 4 of the definition of Competing Proposal which the MEO Directors, acting in good faith, determine:<ul style="list-style-type: none">• is reasonably capable of being valued and completed in a timely fashion, taking into account all aspects of the Competing Proposal; and• would, if completed substantially in accordance with its terms, be more favourable to MEO Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.



Term	Meaning
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	a person other than Neon and its Associates or other than MEO and its Associates (as applicable).
Timetable	the timetable agreed by the parties under clause 5.
Transaction	the acquisition of the Scheme Shares by Neon through implementation of the Scheme in accordance with the terms of this deed.

1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency, as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (k) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;



- (l) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (m) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (n) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (o) a reference to any time, unless otherwise indicated, is to the time in Perth, Australia;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (s) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this deed; and
- (t) a reference to the Listing Rules and the Market Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Deed components

This deed includes any schedule.

2 Agreement to proceed with the Transaction

- (a) MEO agrees to propose the Scheme on and subject to the terms and conditions of this deed.
- (b) Neon agrees to assist MEO to propose the Scheme on and subject to the terms and conditions of this deed.
- (c) MEO and Neon agree to implement the Scheme on and subject to the terms and conditions of this deed.

3 Conditions Precedent and pre-implementation steps

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, until each of the following Conditions Precedent is satisfied or waived to the extent and in the manner set out in this clause 3.

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date, ASIC and ASX issue or provide all consents or approvals, and do all other acts, necessary, or which MEO and Neon agree are desirable, to implement the Scheme and such consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked before 8.00am on the Second Court Date.
- (b) **Shareholder approval:** MEO Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.
- (c) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interest of MEO Shareholders before the time when the Scheme Booklet is registered by ASIC.
- (d) **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
- (e) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other material legal restraint or prohibition, preventing or delaying the Transaction is in effect at 8.00am on the Second Court Date.
- (f) **No MEO Prescribed Occurrence:** no MEO Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (g) **No MEO Regulated Event:** no MEO Regulated Event occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (h) **No MEO Material Adverse Change:** no MEO Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Neon between (and including) the date of this deed and 8.00am on the Second Court Date.
- (i) **No Neon Prescribed Occurrence:** no Neon Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (j) **No Neon Regulated Event:** no Neon Regulated Event occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (k) **No Neon Material Adverse Change:** no Neon Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to MEO between (and including) the date of this deed and 8.00am on the Second Court Date.
- (l) **New Neon Shares:** the New Neon Shares to be issued pursuant to the Scheme are approved for official quotation by ASX by 8.00am on the Second Court Date (provided that any such approval may be subject to the customary conditions).
- (m) **MEO's representations and warranties:** the MEO Representations and Warranties that are qualified as to materiality are true and correct in all



respects, and the MEO Representations and Warranties that are not so qualified are true and correct in all material respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.

- (n) **Neon's representations and warranties:** the Neon Representations and Warranties that are qualified as to materiality are true and correct in all respects, and the Neon Representations and Warranties that are not so qualified are true and correct in all material respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
- (o) **Evoworld: Neon Shareholders:**
 - (1) not approving the resolution to approve the Evoworld Bid by the requisite majority for the purposes of rule 35 of the Neon's constitution at the general meeting of Neon convened for 12 November 2014 (or any adjournment or postponement of that meeting); and
 - (2) voting at the general meeting of Neon requisitioned by Evoworld and its associates and convened for 12 November 2014 (or any adjournment or postponement of that meeting) such that, immediately following that general meeting, a majority of the members of the Neon Board are not nominees of Evoworld.
- (p) **Neon Performance Rights:**
 - (1) Before 5.00pm on the Business Day before the Second Court Date, each holder of Neon Performance Rights agrees to the cancellation of all of their Neon Performance Rights (subject to the Scheme becoming Effective) for nil consideration.
 - (2) Between the date of this deed and 5.00pm on the Business Day before the Second Court Date, no Neon Performance Right vests in the holder of such right.

3.2 Reasonable endeavours

- (a) MEO must, to the extent it is within their power to do so, use its reasonable endeavours to procure that each of the Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(d), 3.1(e), 3.1(f), 3.1(g), 3.1(h) and 3.1(m) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (b) Neon must, to the extent it is within their power to do so, use its reasonable endeavours to procure that each of the Conditions Precedent in clauses 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(n), 3.1(o) and 3.1(p) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (c) Each party must, to the extent it is within their power to do so, use its reasonable endeavours to procure that:
 - (1) the Condition Precedent in clause 3.1(a) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied; and
 - (2) there is no occurrence within its control or the control of any of its Subsidiaries that would prevent any of the Conditions Precedent in clause 3.1, which that party (alone or together with the other party)

must use reasonable endeavours to satisfy, being or remaining satisfied.

- (d) Without limiting this clause 3.2, each party must:
- (1) promptly apply for all relevant Regulatory Approvals (as applicable) and provide to the other party a copy of all those applications;
 - (2) take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information from the relevant Government Agencies at the earliest practicable time;
 - (3) keep the other party informed of progress in relation to each Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed by, or to, any Government Agency in relation to a Regulatory Approval) and provide the other party with all information reasonably requested in connection with the applications for, or progress of, the Regulatory Approvals;
 - (4) consult with the other party in advance in relation to the progress of obtaining, and all material communications with Government Agencies regarding any of, the Regulatory Approvals; and
 - (5) provide the other party with all assistance and information that it reasonably requests in connection with an application for a Regulatory Approval to be lodged by that other party.

3.3 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a), 3.1(b), 3.1(d), 3.1(e) and 3.1(o)(1) cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(f), 3.1(g), 3.1(h) and 3.1(m) are for the sole benefit of Neon and may only be waived by Neon (in its absolute discretion) in writing.
- (c) The Conditions Precedent in clauses 3.1(c), 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(n) and 3.1(p) are for the sole benefit of MEO and may only be waived by MEO (in its absolute discretion) in writing.
- (d) The Condition Precedent in clause 3.1(o)(2) may only be waived by agreement in writing between MEO and Neon.
- (e) If a party waives the breach or non-satisfaction of any of the Conditions Precedent in clause 3.1, that waiver does not prevent that party from suing the other party for any breach of this deed that resulted in the breach or non-satisfaction of the relevant Condition Precedent.
- (f) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
 - (1) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same event; or
 - (2) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event.

3.4 Termination on failure of Condition Precedent

- (a) If:
 - (1) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied;



- (2) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in this deed for the satisfaction of that Condition Precedent; or
- (3) it becomes more likely than not that the Scheme will not become Effective by the End Date,

the parties must consult in good faith to:

- (4) consider and, if agreed, determine whether the Transaction may proceed by way of alternative means or methods;
 - (5) consider and, if agreed, change the date of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Neon and MEO (being a date no later than 5 Business Days before the End Date); or
 - (6) consider and, if agreed, extend the relevant date or End Date.
- (b) Subject to clause 3.4(d), if the parties are unable to reach agreement under clause 3.4(a):
- (1) within 5 Business Days of becoming aware of the relevant event or occurrence that would, or does, prevent a Condition Precedent being satisfied;
 - (2) within 5 Business Days of the time and date specified in this deed for the satisfaction of a Condition Precedent; or
 - (3) by the End Date,

as appropriate, then, unless that Condition Precedent has been waived in accordance with clause 3.3, either party may terminate this deed without any liability to the other party because of that termination. However, a party may not terminate this deed pursuant to this clause 3.4(b) if the relevant occurrence or event, the failure of the Condition Precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 or 3.5 by that party, although in such circumstances the other party may still terminate this deed. To avoid doubt, nothing in this clause 3.4(b) affects the obligation of a party to pay the Reimbursement Fee, if it is required to do so under clause 12.

- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clause 13.2), on termination of this deed, no party shall have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued prior to termination.
- (d) If the Condition Precedent in clause 3.1(b) is not satisfied only because of a failure to obtain the majority required by sub-subparagraph 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that sub-subparagraph, provided the party has, in good faith, reasonably formed the view that the prospect of the Court exercising its discretion in that way is reasonable.

3.5 Certain notices relating to Conditions Precedent

- (a) MEO and Neon (as the case may be) must promptly advise each other, orally and in writing, of satisfaction of a Condition Precedent.



- (b) If a Condition Precedent is not satisfied by the time and date specified for satisfaction of that Condition Precedent, then, unless there is no reasonable prospect that the Condition Precedent will be satisfied before the End Date, MEO must make an application to defer the Second Court Date until such time (being not later than the Business Day before the End Date) as reasonably required to enable the relevant Condition Precedent to be satisfied.
- (c) If, before the time and date specified for satisfaction of a Condition Precedent, an event or occurrence that will prevent that Condition Precedent being satisfied occurs, the party with knowledge of that event must give the other party written notice of that event or occurrence as soon as possible.
- (d) MEO and Neon (as the case may be) must promptly advise each other, orally and in writing, of any fact, matter, change, event or circumstance causing, or which, so far as can reasonably be foreseen, would cause:
 - (1) a representation or warranty provided in this deed by the relevant party to be false;
 - (2) a breach or non-satisfaction of any of the Conditions Precedent; or
 - (3) a material breach of this deed by the relevant party.

4 Transaction steps

4.1 Scheme

MEO must propose the Scheme to MEO Shareholders.

4.2 No amendment to the Scheme without consent

MEO must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Neon.

4.3 Scheme Consideration

- (a) Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms of this deed and the Scheme.
- (b) Subject to clause 4.3(c) and the terms of the Scheme, Neon undertakes and warrants to MEO (in its own right and on behalf of the Scheme Shareholders) that, in consideration of the transfer to Neon of each MEO Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date Neon will:
 - (1) accept that transfer; and
 - (2) provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share in accordance with the terms of this deed and the Scheme.
- (c) Where the calculation of the number of New Neon Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Neon Share, the fractional entitlement will be rounded down to the nearest whole number of New Neon Shares.

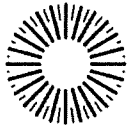


4.4 Provision of MEO Share information

- (a) In order to facilitate the provision of the Scheme Consideration, MEO must provide, or procure the provision of, to Neon or a nominee of Neon a complete copy of the MEO Share Register as at the Scheme Record Date (which must include the name, Registered Address and registered holding of each Scheme Shareholder as at the Scheme Record Date), within one Business Day after the Scheme Record Date.
- (b) The details and information to be provided under clause 4.4(a) must be provided in such form as Neon, its nominee or the Neon Registry may reasonably require.

4.5 Proposed treatment of MEO Options and MEO Performance Rights

- (a) Each of Neon and MEO agree to use their respective best endeavours to procure that the treatment of MEO Options and MEO Performance Rights is determined as promptly as possible after the date of this deed and in any event so that it is set out in full in the Scheme Booklet.
- (b) Subject to clause 3.1, the Scheme becoming effective and clause 4.5(c) below:
 - (1) each of Neon and MEO will use their respective best endeavours to procure that:
 - (A) the MEO Options and MEO Performance Rights are transferred to Neon or cancelled prior to the Scheme Record Date; and
 - (B) the holders of the MEO Options and MEO Performance Rights will be provided with consideration for the transfer or cancellation of the MEO Options or MEO Performance Rights (as applicable) that reflects a Black-Scholes valuation of the MEO Options or MEO Performance Rights (as applicable);
 - (2) MEO will seek a waiver from the ASX in relation to the requirements of Listing Rule 6.23 in order to allow the transfer or cancellation of the MEO Options or MEO Performance Rights without a meeting of MEO Shareholders;
 - (3) MEO will prepare a deed that is acceptable to Neon (acting reasonably) which is intended to be entered into by Neon, MEO and each MEO Optionholder and each MEO Performance Right holder as at the date immediately before the Scheme Record Date, which will, subject to clause 4.5(c) provide for the transfer or cancellation of the MEO Options in consideration for the issue of or grant to MEO Optionholders or MEO Performance Right holder (as applicable) of all or any combination of the following as reasonably agreed with Neon and each relevant MEO Optionholder or MEO Performance Right holder:
 - (A) a cash amount; or
 - (B) Neon Shares; and
 - (4) MEO will procure that no performance conditions are waived or accelerated under any MEO Options or MEO Performance Rights and that no unvested MEO Options or MEO Performance Rights otherwise have their vesting accelerated including by a decision of the MEO



Board, unless otherwise agreed between the parties having regard to clauses 4.5(c) and 4.5(d), acting reasonably.

- (c) For the purposes of clause 4.5(b), MEO and Neon agree to use their respective best endeavours to agree:
- (1) the amount or quantum of consideration which will be provided to MEO Optionholders or MEO Performance Right holders in consideration for the transfer or cancellation of the MEO Options or MEO Performance Rights (as applicable);
 - (2) the terms of any consideration which will be provided to MEO Optionholders and MEO Performance Right holder in consideration for the transfer or cancellation of the MEO Options or MEO Performance Rights (as applicable), including the terms of any options to acquire Neon Shares or performance entitlements over Neon Shares; and
 - (3) the process and method through which the MEO Options and MEO Performance Rights will be transferred or cancelled and the relevant consideration provided to the MEO Optionholders and MEO Performance Right holders, including, without limitation, any determinations MEO will be making with respect to the MEO Options and MEO Performance Rights to facilitate the relevant transfer, cancellation and provision of consideration,
- in accordance with the principle that MEO Optionholders or MEO Performance Right holders (as applicable) will be put in a commercially equivalent position.
- (d) To the extent MEO Optionholders or MEO Performance Right holders are issued with Neon Shares as consideration for the transfer or cancellation of their MEO Options or MEO Performance Rights (as applicable), those Neon Shares must, from their date of issue, be freely tradable.
- (e) Subject to clause 4.5(d), MEO and Neon agree to use their respective best endeavours to agree the matters in paragraphs 4.5(c)(1) to 4.5(c)(3) in such a way that there is no requirement to provide a disclosure document under the Corporations Act (or an offering document required for the purposes of any other applicable securities law) in respect of the consideration provided for the transfer or cancellation of the MEO Options or MEO Performance Rights.

5 Implementation

5.1 MEO's obligations

MEO must take all necessary steps to implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date (and must consult with Neon on a regular basis about its progress in that regard), including doing any acts it is authorised and able to do on behalf of MEO Shareholders, and including each of the following:

- (a) **Timetable:** as soon as practicable, and in any event no later than 5 Business Days, after the date of this deed, consult with Neon to determine a timetable for the implementation of the Transaction;
- (b) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules;



- (c) **directors' recommendation:** include in the Scheme Booklet a statement that the MEO Directors:
- (1) recommend that MEO Shareholders (other than Excluded Shareholders) vote in favour of the Scheme in the absence of a Superior Proposal; and
 - (2) that each MEO Director will (in the absence of a Superior Proposal) vote, or procure the voting of, any Director MEO Shares at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting,
- unless there has been a change of recommendation permitted by clause 5.5;
- (d) **paragraph 411(17)(b) statement:** apply to ASIC for the production of:
- (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (2) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (e) **Court direction:** apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing MEO to convene the Scheme Meeting;
- (f) **Scheme Meeting:** convene the Scheme Meeting to seek MEO Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act;
- (g) **Court documents:** consult with Neon in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Neon and its Related Persons on those documents;
- (h) **Court approval:** (subject to all Conditions Precedent in clause 3.1, other than the Condition Precedent in clause 3.1(d), being satisfied or waived in accordance with this deed) apply to the Court for orders approving the Scheme as agreed to by the MEO Shareholders (other than Excluded Shareholders) at the Scheme Meeting;
- (i) **Certificate:** at the hearing on the Second Court Date provide to the Court a certificate (substantially in the form set out in Attachment 3) confirming whether or not the Conditions Precedent in clause 3.1 (other than the Condition Precedent in clause 3.1(d)) have been satisfied or waived in accordance with this deed. A draft of such certificate shall be provided by MEO to Neon by 4.00pm on the date that is 3 Business Days prior to the Second Court Date;
- (j) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by Neon);
- (k) **Scheme Consideration:** if the Scheme becomes Effective, finalise and close the MEO Share Register as at the Scheme Record Date, and determine entitlements to the Scheme Consideration, in accordance with the Scheme and the Deed Poll;
- (l) **transfer and registration:** if the Scheme becomes Effective and subject to Neon having issued the Scheme Consideration in accordance with the Scheme and Deed Poll:



- (1) execute, on behalf of Scheme Shareholders, instruments of transfer of MEO Shares held by Scheme Shareholders to Neon; and
 - (2) register all transfers of MEO Shares held by Scheme Shareholders to Neon on the Implementation Date;
- (m) **consultation with Neon in relation to Scheme Booklet:** consult with Neon as to the content and presentation of the Scheme Booklet including:
- (1) providing to Neon drafts of the Scheme Booklet and the factual information sections relating to Neon in the Independent Expert's Report for the purpose of enabling Neon to review and comment on those draft documents;
 - (2) taking all comments made by Neon into account in good faith when producing a revised draft of the Scheme Booklet;
 - (3) providing to Neon a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Neon to review the Regulator's Draft before the date of its submission;
 - (4) obtaining written consent from Neon for the form and content in which the Neon Information appears in the Scheme Booklet; and
 - (5) confirming in writing to Neon the accuracy of the MEO Information in the Scheme Booklet;
- (n) **information:** provide all necessary information, and procure that the MEO Registry provides all necessary information, in each case in a form reasonably requested by Neon, about the Scheme, the Scheme Shareholders and MEO Shareholders to Neon and its Related Persons, which Neon reasonably requires in order to:
- (1) canvass agreement to the Scheme by MEO Shareholders (including the results of directions by MEO to MEO Shareholders under Part 6C.2 of the Corporations Act); or
 - (2) facilitate the provision by, or on behalf of, Neon of the Scheme Consideration.
- MEO must comply with any reasonable request of Neon for MEO to give directions to MEO Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time for one of the purposes referred to in (1) or (2) above;
- (o) **ASIC and ASX review:** keep Neon informed of any matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by Neon;
- (p) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (q) **Independent Expert:** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates thereto);
- (r) **assistance:** up to the Implementation Date and subject to obligations of confidentiality owed to third parties and undertakings to Government Agencies, provide Neon and its Related Persons with reasonable access during normal business hours to information and personnel of MEO Group that Neon



- reasonably requests for the purpose of collation and provision of the Neon Information and implementation of the Transaction;
- (s) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations;
 - (t) **listing:** subject to clause 5.1(w), not do anything to cause MEO Shares to cease being quoted on ASX or to become permanently suspended from quotation prior to implementation of the Transaction unless Neon has agreed in writing;
 - (u) **update Scheme Booklet:** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
 - (v) **merged co-information:** prepare and promptly provide to Neon any information regarding the MEO Group that Neon reasonably requires in order to prepare the information regarding the merged MEO–Neon entity following implementation of the Scheme for inclusion in the Scheme Booklet; and
 - (w) **suspension of trading:** apply to ASX to suspend trading in MEO Shares with effect from the close of trading on the Effective Date.

5.2 Neon's obligations

Neon must take all necessary steps to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date (and consult with MEO on a regular basis about its progress in that regard), including doing each of the following:

- (a) **Timetable:** as soon as practicable, and in any event no later than 5 Business Days, after the date of this deed, consult with MEO to determine a timetable for the implementation of the Transaction;
- (b) **Neon Information:** prepare and provide to MEO the Neon Information for inclusion in the Scheme Booklet, including all information regarding the Neon Group, the merged MEO–Neon entity following implementation of the Scheme, and the Scheme Consideration required by all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules, and consent to the inclusion of that information (other than any information provided by MEO to Neon or obtained from MEO's public filings on ASX regarding the MEO Group contained in, or used in the preparation of, the information regarding the merged MEO–Neon entity following implementation of the Scheme) in the Scheme Booklet;
- (c) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by MEO and provide comments on those drafts in good faith;
- (d) **Independent Expert's Report:** subject to the Independent Expert entering into arrangements with Neon including in relation to confidentiality in a form reasonably acceptable to Neon, provide any assistance or information reasonably requested by MEO or by the Independent Expert in connection with the preparation of the Independent Expert's Report to be sent together with the Scheme Booklet;



- (e) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (f) **Deed Poll:** by no later than the Business Day prior to the First Court Date, execute and deliver to MEO the Deed Poll and procure that Neon will execute and deliver to MEO the Deed Poll;
- (g) **accuracy of Neon Information:** confirm in writing to MEO the accuracy of the Neon Information in the Scheme Booklet (other than any information regarding the MEO Group contained in, or used in the preparation of, the information regarding the merged MEO–Neon entity following implementation of the Scheme);
- (h) **share transfer:** if the Scheme becomes Effective:
 - (1) accept a transfer of the Scheme Shares as contemplated by clause 4.3(b)(1); and
 - (2) execute instruments of transfer in respect of the Scheme Shares;
- (i) **Scheme Consideration:** if the Scheme becomes Effective, procure the provision of, by or on behalf of Neon, the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;
- (j) **update Neon Information:** until the date of the Scheme Meeting, provide to MEO any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Neon Information contained in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (k) **assistance:** up to (and including) the Implementation Date and subject to obligations of confidentiality owed to third parties and undertakings to Government Agencies, provide MEO and its Related Persons with reasonable access during normal business hours to information and personnel of Neon Group that MEO reasonably requests for the purpose of preparation of the Scheme Booklet and implementation of the Transaction;
- (l) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations; and
- (m) **ASX listing:** take all reasonable and appropriate steps to maintain Neon's listing on ASX.

5.3 Conduct of business

- (a) Subject to clauses 5.3(b) and 5.3(c), from the date of this deed up to and including the Implementation Date, and without limiting any other obligations of the parties under this deed, each of MEO and Neon must:
 - (1) conduct its businesses and operations, and must cause each other MEO Group Member or Neon Group Member (as applicable) to conduct its respective business and operations, in the ordinary and usual course generally consistent with the manner in which each such business and operations were conducted immediately prior to the date of this deed;
 - (2) keep the other party informed of the conduct of business;



- (3) not enter into any line of business in which the MEO Group or Neon Group (as applicable) is not engaged as of the date of this deed;
 - (4) provide regular reports on the financial affairs of the MEO Group or Neon Group (as applicable), including the provision of the relevant group's monthly management accounts, in a timely manner to the other party;
 - (5) ensure that between (and including) the date of this deed and 8.00am on the Second Court Date, no MEO Prescribed Occurrence and no MEO Regulated Event occurs (in the case of MEO) or that no Neon Prescribed Occurrence and no MEO Regulated Event occurs (in the case of Neon); and
 - (6) make all reasonable efforts, and procure that each other MEO Group Member or Neon Group Member (as applicable) makes all reasonable efforts, to:
 - (A) preserve and maintain the value of the businesses and assets of the MEO Group or the Neon Group (as applicable);
 - (B) keep available the services of the directors, officers and employees of each member of the MEO Group or the Neon Group (as applicable); and
 - (C) maintain and preserve their relationships with Government Agencies, customers, suppliers and others having business dealings with any MEO Group Member or Neon Group Member, as applicable (including using reasonable endeavours to obtain consents from Third Parties to any change of control provisions which the other party reasonably requests in contracts or arrangements to which a member of the MEO Group or the Neon Group is a party).
- (b) Nothing in clause 5.3(a) restricts the ability of MEO or Neon to take any action:
- (1) which is required by this deed or the Scheme;
 - (2) which has been agreed to in writing by the other party; or
 - (3) which is Fairly Disclosed in the MEO Disclosure Materials or the Neon Disclosure Materials as being an action that the MEO or Neon (as applicable) may carry out between (and including) the date of this deed and the Implementation Date.
- (c) To avoid doubt, nothing in this clause 5.3 restricts the ability of MEO or Neon to respond to a Competing Proposal in accordance with clause 11.
- (d) From the date of this deed until the Second Court Date, each of MEO and Neon will promptly notify the other of anything of which it becomes aware that:
- (1) makes any material information publicly filed by it (either on its own account or in respect of any other MEO Group Member or Neon Group Member (as applicable)) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
 - (2) makes any of the MEO Representations and Warranties or Neon Representations and Warranties (as applicable) false, inaccurate, misleading or deceptive in any material respect; or
 - (3) makes any information provided in the MEO Disclosure Materials or Neon Disclosure Materials (as applicable) incomplete, incorrect, untrue or misleading in any material respect.



5.4 Appointment of directors

- (a) Neon must, as soon as practicable, on the Implementation Date after the Scheme Consideration has been despatched to Scheme Shareholders:
 - (1) take all actions necessary to cause the appointment of two nominees of MEO to the Neon Board; and
 - (2) ensure that all directors on the Neon Board, other than the MEO nominees and two Neon nominees, resign and release Neon from any claims they may have against Neon.
- (b) Following the appointments to the Neon Board set out in clause 5.4(a), the parties agree that:
 - (1) Alan Stein will continue as the Non-Executive Chairman of the Neon Board; and
 - (2) other members of management will be selected by the newly constituted Neon Board.
- (c) MEO must, as soon as practicable:
 - (1) on the Implementation Date after the Scheme Consideration has been despatched to Scheme Shareholders:
 - (A) take all actions necessary to cause the appointment of two nominees of Neon to the MEO Board; and
 - (B) ensure that all directors on the MEO Board, other than the Neon nominees and two MEO nominees, resign and release MEO from any claims they may have against MEO; and
 - (2) on the Implementation Date, after the Scheme Consideration has been despatched to Scheme Shareholders, take all actions to ensure that all directors on the boards of MEO's Subsidiaries other than two MEO nominees resign and to cause the appointment of two nominees of Neon to those boards.

5.5 MEO Board recommendation

- (a) MEO must use its best endeavours to procure that, subject to clause 5.5(b), the members of the MEO Board unanimously recommend that MEO Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interests of MEO Shareholders, and that the Scheme Booklet include a statement by each MEO Director to that effect.
- (b) MEO must use its best endeavours to procure that the MEO Board collectively, and the members of the MEO Board individually, do not change, withdraw or modify its, his or her recommendation to vote in favour of the Scheme unless:
 - (1) the Independent Expert provides a report to MEO (including either the Independent Expert's Report or any update, addendum or variation to it) that concludes that the Scheme is not in the best interests of MEO Shareholders;
 - (2) MEO has received, other than as a result of a breach of clause 11, a Superior Proposal; or
 - (3) the MEO Board collectively, or any MEO Director individually, has determined, after receiving written financial and legal advice, that the

MEO Board or such MEO Director, by virtue of its, his or her directors' duties as a member of the MEO Board, is required to change, withdraw or modify its, his or her recommendation,

and MEO has complied with its obligations under clause 11.

5.6 Conduct of Court proceedings

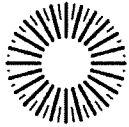
- (a) MEO and Neon are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This deed does not give MEO or Neon any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) MEO and Neon must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this deed.

5.7 Responsibility statements

- (a) The Scheme Booklet will contain a responsibility statement to the effect that:
 - (1) Neon is responsible for the Neon Information (other than any information provided by MEO to Neon or obtained from MEO's public filings on ASX regarding the MEO Group contained in, or used in the preparation of, the information regarding the merged MEO–Neon entity following implementation of the Scheme) contained in the Scheme Booklet; and
 - (2) MEO is responsible for the MEO Information contained in the Scheme Booklet and is also responsible for the information contained in the Scheme Booklet provided by MEO to Neon or obtained from MEO's public filings on ASX regarding the MEO Group contained in, or used in the preparation of, the information regarding the merged MEO–Neon entity following implementation of the Scheme.
- (b) If after a reasonable period of consultation, MEO and Neon are unable to agree on the form or content of the Scheme Booklet:
 - (1) where the determination relates to Neon Information, Neon will make the final determination as to the form and content of the Neon Information; and
 - (2) in any other case, MEO will make the final determination as to the form and content of the Scheme Booklet.

6 Integration

- (a) Between (and including) the date of this deed and the Implementation Date, MEO must, and must cause each other MEO Group Member to, afford to Neon and its Related Persons reasonable access to information (subject to any existing confidentiality obligations owed to third parties), premises or such senior executives of any member of the MEO Group as reasonably requested by Neon at mutually convenient times and afford Neon reasonable co-operation for the purpose of:
 - (1) implementation of the Scheme;



- (2) Neon obtaining an understanding of the operations of the MEO Group's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of the plans of Neon for those businesses following implementation of the Scheme; and
 - (3) any other purpose agreed between the parties,
- provided that:
- (4) nothing in this clause will require MEO to provide information concerning MEO's directors and management's consideration of the Scheme or of any potential Competing Proposal;
 - (5) providing information to Neon pursuant to this clause does not result in unreasonable disruptions to the MEO Group's business; and
 - (6) MEO may provide to Neon its records at a place other than MEO's business premises.
- (b) MEO must provide, and must cause each other MEO Group Member to provide, Neon, its Related Persons and any investigating accountant with reasonable access (at mutually convenient times) to books and records (including financial reports, audited or otherwise) and to the MEO Group's auditors and accountants for the sole purpose of preparation of the financial statements (including for the merged MEO–Neon entity following implementation of the Scheme) for inclusion in the Scheme Booklet or any investigating accountants' report (and any updates).

7 Representations and warranties

7.1 Neon's representations and warranties

Subject to clause 7.9, Neon represents and warrants to MEO (in its own right and separately as trustee or nominee for each of the other MEO Indemnified Parties) each of the Neon Representations and Warranties.

7.2 Neon's indemnity

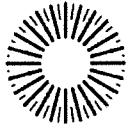
Subject to clause 7.9, Neon agrees with MEO (in its own right and separately as trustee or nominee for each of the other MEO Indemnified Parties) to indemnify MEO and each of the MEO Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that MEO or any of the other MEO Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Neon Representations and Warranties.

7.3 MEO's representations and warranties

Subject to clause 7.9, MEO represents and warrants to Neon (in its own right and separately as trustee or nominee for each of the other Neon Indemnified Parties) each of the MEO Representations and Warranties.

7.4 MEO's indemnity

Subject to clause 7.9, MEO agrees with Neon (in its own right and separately as trustee or nominee for each Neon Indemnified Party) to indemnify Neon and each of the Neon



Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Neon or any of the other Neon Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the MEO Representations and Warranties.

7.5 Survival of representations and warranties

Each representation and warranty in clauses 7.1 and 7.3:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

7.6 Survival of indemnities

Each indemnity in this deed (including those in clauses 7.2 and 7.4):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

7.7 Timing of representations and warranties

Each representation and warranty made or given under clauses 7.1 or 7.3 is given at the date of this deed and repeated continuously thereafter until 8.00am on the Second Court Date unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

7.8 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation, inducement, statement, warranty, forward-looking statement or statement of belief by or on behalf of any other party, except for any representation or inducement expressly set out in this deed, and has made its own assessment of the Disclosure Materials.
- (c) Neon and MEO each acknowledge and accept that any forward-looking statement (including but not limited to estimates, budgets or forecasts made, or opinions expressed) in relation to the financial position, prospects of the MEO Group or the Neon Group (as applicable) or reserves or resources (whether written or oral) or any other matter, made or expressed to Neon or MEO (as applicable) were made on the basis and condition that:



- (1) neither MEO or Neon (as applicable) nor any of its Related Persons or their Associates have made nor makes any representation or warranty as to the accuracy or completeness of such forward-looking statements; and
- (2) neither MEO or Neon (as applicable) nor any of its Related Persons will be liable to the other in the event that, for whatever reason, any such forward-looking statement is or becomes inaccurate, incomplete or misleading in any respect (including by omission).

7.9 Qualifications on representations, warranties and indemnities

The Neon Representations and Warranties in clause 7.1 and the MEO Representations and Warranties in clause 7.3, together with the indemnities set out in clauses 7.2 and 7.4 are subject to matters:

- (a) that have been Fairly Disclosed:
 - (1) in respect of the Neon Representations and Warranties, the Neon Disclosure Materials, and in respect of the MEO Representations and Warranties, the MEO Disclosure Materials, prior to the date of this deed; and
 - (2) in announcements made to ASX by each of Neon and MEO (as applicable) in the 12 month period prior to the date of this deed; and
- (b) which would be disclosed in a search of ASIC records in relation to Neon or MEO (as applicable) prior to the date of this deed.

8 Releases

8.1 MEO and other MEO Indemnified Parties

- (a) Neon releases its rights, and agrees with MEO that it will not make a claim, against any MEO Indemnified Party (other than MEO and its Related Bodies Corporate) as at the date of this deed and from time to time in connection with:
 - (1) any breach of any representations and warranties of MEO or any other member of the MEO Group in this deed;
 - (2) any disclosures containing any statement which is false or misleading whether in content or by omission; or
 - (3) any other conduct in connection with this deed or the Scheme or the transactions contemplated by it,whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the MEO Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. To avoid doubt, nothing in this clause 8.1(a) limits Neon's rights to terminate this deed under clause 13.1(a) for breach of a warranty given by MEO.
- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly.
- (c) MEO receives and holds the benefit of this clause to the extent it relates to each MEO Indemnified Party as trustee for each of them.



8.2 Neon and other Neon Indemnified Parties

- (a) MEO releases its rights, and agrees with Neon that it will not make a claim, against any Neon Indemnified Party as at the date of this deed and from time to time in connection with:
- (1) any breach of any representations and warranties of Neon or any other member of the Neon Group in this deed;
 - (2) any disclosure containing any statement which is false or misleading whether in content or by omission; or
 - (3) any other conduct in connection with this deed or the Scheme or the transactions contemplated by it,
- whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Neon Indemnified Party has engaged in wilful misconduct or fraud. To avoid doubt, nothing in this clause 8.2(a) limits MEO's rights to terminate this deed under clause 13.1(a) for breach of a warranty given by Neon.
- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Neon receives and holds the benefit of this clause to the extent it relates to each Neon Indemnified Party as trustee for each of them.

8.3 Deeds of indemnity and insurance

- (a) Subject to the Scheme becoming Effective and the Transaction completing, Neon undertakes in favour of MEO and each other person who is a MEO Indemnified Party that it will:
- (1) subject to clause 8.3(d), for a period of 7 years from the Implementation Date, ensure that the constitutions of MEO and each other MEO Group Member continues to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a MEO Group Member; and
 - (2) procure that MEO and each MEO Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained, subject to clause 8.3(d), for a period of 7 years from the retirement date of each director and officer so long as it is available on commercially reasonable terms.
- (b) The undertakings contained in clause 8.3(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (c) MEO receives and holds the benefit of clause 8.3(a), to the extent it relates to the other MEO Indemnified Parties, as trustee for them.
- (d) The undertakings contained in clause 8.3(a) are given until the earlier of the end of the relevant period specified in clause 8.3(a) or the relevant MEO Group Member ceasing to be part of the Neon Group.



9 Public announcement

9.1 Announcement of the Transaction

- (a) Immediately after the execution of this deed, MEO and Neon must issue public announcements in a form previously agreed to in writing between them.
- (b) The MEO announcement must include a unanimous recommendation by the MEO Board to MEO Shareholders (other than Excluded Shareholders) that, in the absence of a Superior Proposal and subject to the conclusion in the Independent's Expert's Report being that the Scheme is in the best interests of MEO Shareholders, MEO Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and that subject to the same qualifications each MEO Director will vote (or will procure the voting of) their Director MEO Shares at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting.

9.2 Public announcements

Subject to clause 9.3, no public announcement or public disclosure of the Transaction or any other transaction the subject of this deed or the Scheme may be made other than in a form approved by each party in writing (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.

9.3 Required disclosure

Where a party is required by applicable law or the Listing Rules to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this deed or the Scheme, it must use all reasonable endeavours, to the extent practicable and lawful, to consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

10 Confidentiality

MEO and Neon acknowledge and agree that they continue to be bound by the Confidentiality Agreement after the date of this deed. The rights and obligations of the parties under the Confidentiality Agreement survive termination of this deed.

11 Exclusivity

11.1 No shop and no talk

During the Exclusivity Period, Neon and MEO must not, and must ensure that each of its Related Persons does not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual,



proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.1(a); or

- (b) **(no talk)** subject to clause 11.2:
- (1) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - (2) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (3) disclose or otherwise provide any non-public information about the business or affairs of the MEO Group or the Neon Group (as applicable) to a Third Party (other than a Government Agency) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the MEO Group or Neon Group (as applicable)); or
 - (4) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.1(b).

11.2 Fiduciary exception

Clause 11.1(b) does not prohibit any action or inaction by MEO or Neon or any of their Related Persons (as applicable) in relation to an actual, proposed or potential Competing Proposal if compliance with that clause would, in the opinion of the MEO Board or the Neon Board (as applicable), formed in good faith after receiving written advice from its external legal advisers, constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of MEO or Neon (as applicable), provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by a breach of clause 11.1(a).

11.3 Notification of approaches

- (a) During the Exclusivity Period, MEO or Neon (as applicable) must as soon as possible and in any event within 2 Business Days of becoming aware of any of the matters set out below notify Neon or MEO (as applicable) in writing if it, or any of its Related Persons, becomes aware of any:
- (1) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
 - (2) proposal made to MEO or Neon (as applicable) or any of their Related Persons, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal;
or



- (3) provision by MEO or Neon (as applicable) or any of their Related Persons of any non-public information concerning the business or operations of MEO or the MEO Group or Neon or the Neon Group (as applicable) to any to a Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. To avoid doubt, any of the acts described in paragraphs (1) to (3) may only be taken by MEO or Neon (as applicable) if not proscribed by clause 11.1 or if permitted by clause 11.2.

- (b) A notification given under clause 11.3(a) must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Proposal, together with all material terms and conditions of the actual, proposed or potential Competing Proposal. However, the notification need not include the identity of the relevant person if the MEO Board or Neon Board (as applicable) determines, acting in good faith after receiving written advice from its external legal advisers, that disclosing the identity of the relevant person would constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of MEO or Neon (as applicable).

11.4 Cease discussions

MEO and Neon must cease any discussions or negotiations existing as at the date of this deed relating to:

- (a) any actual, proposed or potential Competing Proposal; or
- (b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Transaction.

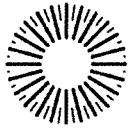
12 Reimbursement Fee

12.1 Background to Reimbursement Fee

- (a) Neon and MEO acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, Neon and MEO will incur significant costs, including those set out in clause 12.5.
- (b) In these circumstances, Neon and MEO have requested that provision be made for the payments outlined in clauses 12.2 and 12.3, without which Neon and MEO would not have entered into this deed or otherwise agreed to implement the Scheme.
- (c) The Neon Board and the MEO Directors believe, having taken advice from their legal advisors and Financial Advisors, that the implementation of the Scheme will provide benefits to Neon and MEO and that it is appropriate for Neon and MEO to agree to the payments referred to in clauses 12.2 and 12.3 in order to secure the other party's participation in the Transaction.

12.2 Reimbursement Fee triggers for MEO

MEO must pay the Reimbursement Fee to Neon, without set-off or withholding, if:



- (a) during the Exclusivity Period, any MEO Director withdraws, adversely revises or adversely qualifies their support of the Scheme or their recommendation that MEO Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason, other than in circumstances where the Independent Expert concludes that the Scheme is not in the best interests of MEO Shareholders (provided the reasons for the Independent Expert's conclusions do not include the existence of a Competing Proposal);
- (b) during the Exclusivity Period, any MEO Director recommends that MEO Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director MEO Shares), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period (and, to avoid doubt, includes a transaction in respect of which MEO is the acquiring party and irrespective of whether such transaction requires an affirmative vote of MEO Shareholders in order to be completed in accordance with its terms);
- (c) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 6 months of the date of such announcement, the Third Party or any Associate of that Third Party:
 - (1) completes a Competing Proposal of a kind referred to in any of paragraphs 2, 3 or 4 of the definition of Competing Proposal;
 - (2) enters into an agreement, arrangement or understanding with MEO or the MEO Board of the kind referred to in paragraph 5 of the definition of Competing Proposal; or
 - (3) without limiting clause 12.2(c)(1) or 12.2(c)(2), acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the MEO Shares or acquires (either alone or in aggregate) Control of MEO; or
- (d) Neon has terminated this deed pursuant to clause 13.1(a)(1) and the Transaction does not complete.

12.3 Reimbursement Fee triggers for Neon

Neon must pay the Reimbursement Fee to MEO, without set-off or withholding, if:

- (a) during the Exclusivity Period, any one or more members of the Neon Board recommends that Neon Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director Neon Shares), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period (and, to avoid doubt, includes a transaction in respect of which Neon is the acquiring party and irrespective of whether such transaction requires an affirmative vote of Neon Shareholders in order to be completed in accordance with its terms);
- (b) during the Exclusivity Period, any member of the Neon Board makes a public statement indicating that they do not support the Scheme or recommending, supporting or endorsing another transaction (including any Competing Proposal);



- (c) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 6 months of the date of such announcement, the Third Party or any Associate of that Third Party:
- (1) completes a Competing Proposal of a kind referred to in any of paragraphs 2, 3 or 4 of the definition of Competing Proposal;
 - (2) enters into an agreement, arrangement or understanding with Neon or the Neon Board of the kind referred to in paragraph 5 of the definition of Competing Proposal; or
 - (3) without limiting clause 12.3(c)(1) or 12.3(c)(2), acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the Neon Shares or acquires (either alone or in aggregate) Control of Neon,
- but, to avoid doubt, this clause 12.3(b) does not require Neon to pay the Reimbursement Fee as a result of either or both of the Conditions Precedent in clauses 3.1(o)(1) and 3.1(o)(2) not being satisfied; or
- (d) MEO has terminated this deed pursuant to clause 13.1(a)(1) and the Transaction does not complete.

12.4 Timing of payment of Reimbursement Fee

- (a) A demand for payment of the Reimbursement Fee under clause 12.2 or clause 12.3 must:
- (1) be in writing;
 - (2) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (3) state the circumstances which give rise to the demand; and
 - (4) nominate an account in the name of Neon or MEO (as applicable) into which MEO or Neon (as applicable) is to pay the Reimbursement Fee.
- (b) MEO or Neon (as applicable) must pay the Reimbursement Fee into the account nominated by Neon or MEO (as applicable), without set-off or withholding, within 5 Business Days after receiving a demand for payment where Neon is entitled under clause 12.2, or MEO is entitled under clause 12.3 (as applicable), to the Reimbursement Fee.

12.5 Basis of Reimbursement Fee

The Reimbursement Fee has been calculated to reimburse Neon or MEO (as applicable) for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by Neon and Neon's employees, advisers and agents, or MEO and MEO's employees, advisers and agents (as applicable), in planning and implementing the Transaction,

and the parties agree that:



- (e) the costs actually incurred by Neon or MEO (as applicable) will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Reimbursement Fee is a genuine and reasonable pre-estimate of those costs.

12.6 Compliance with law

- (a) This clause 12 does not impose an obligation on MEO or Neon to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:
 - (1) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
 - (2) is determined to be unenforceable or unlawful by a court, provided that all proper avenues of appeal and review, judicial and otherwise, have been exhausted.
- (b) The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 12.6(a).

12.7 Reimbursement Fee payable only once

- (a) Where the Reimbursement Fee becomes payable to Neon under clause 12.2 and is actually paid to Neon, Neon cannot make any claim against MEO for payment of any subsequent Reimbursement Fee.
- (b) Where the Reimbursement Fee becomes payable to MEO under clause 12.3 and is actually paid to MEO, MEO cannot make any claim against Neon for payment of any subsequent Reimbursement Fee.

12.8 Other Claims

- (a) Where an amount becomes payable to MEO under clause 12.3 and is actually paid to Neon (or is payable, but no demand is made under clause 12.4), MEO cannot make any Claim (other than a Claim under this clause 12) against Neon which relates to the event that gave rise to the right to make a demand under clause 12.4 except a Claim in relation to a breach of clause 11. To avoid doubt, the amount of any loss or damage caused in relation to a breach of clause 11 shall be reduced by any amount paid to MEO under clause 12.3.
- (b) Where an amount becomes payable to Neon under clause 12.2 and is actually paid to MEO (or is payable, but no demand is made under clause 12.4), Neon cannot make any Claim (other than a Claim under this clause 12) against MEO which relates to the event that gave rise to the right to make a demand under clause 12.4 except a Claim in relation to a breach of clause 11. To avoid doubt, the amount of any loss or damage caused in relation to a breach of clause 11 shall be reduced by the amount paid to Neon under clause 12.2.

12.9 No Reimbursement Fee if Scheme Effective

Despite anything to the contrary in this deed, the Reimbursement Fee will not be payable to Neon or MEO (as applicable) if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.2 or clause 12.3 and, if the Reimbursement Fee has already been paid it must be refunded by Neon or MEO (as applicable).

13 Termination

13.1 Termination rights

- (a) Either party may terminate this deed by written notice to the other party:
- (1) at any time before 8.00am on the Second Court Date if the other party has materially breached this deed (including any warranty), the party entitled to terminate has given written notice to the party in breach of this deed setting out the relevant circumstances and stating an intention to terminate this deed, and the other party has failed to remedy the breach within 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given;
 - (2) at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Transaction, or has refused to do any thing necessary to permit the Transaction, and the action or refusal has become final and cannot be appealed or reviewed; or
 - (3) in the circumstances set out in, and in accordance with, clause 3.4.
- (b) Neon may terminate this deed by written notice to MEO at any time before 8.00am on the Second Court Date if:
- (1) an MEO Material Adverse Change, MEO Prescribed Occurrence or MEO Regulated Event occurs;
 - (2) any MEO Director fails to recommend the Scheme or any MEO Director changes, withdraws or modifies their recommendation that MEO Shareholders (other than Excluded Shareholders) vote in favour of the Scheme or any MEO Director makes a public statement indicating that they no longer recommend the Scheme or recommending, supporting or endorsing another transaction (including any Competing Proposal); or
 - (3) the Neon Board or a majority of the Neon Board has recommended a Superior Proposal to Neon Shareholders and Neon has paid the Reimbursement Fee to MEO.
- (c) MEO may terminate this deed by written notice to Neon at any time before 8.00am on the Second Court Date if:
- (1) a Neon Material Adverse Change, Neon Prescribed Occurrence or Neon Regulated Event occurs;
 - (2) a majority of the MEO Directors have changed, withdrawn or modified their recommendation as permitted under clause 5.5 and MEO has paid the Reimbursement Fee to Neon; or
 - (3) any member of the Neon Board makes a public statement indicating that they do not support the Scheme or recommending, supporting or endorsing another transaction (including any Competing Proposal).

13.2 Effect of termination

If this deed is terminated by either party under clauses 3.4 or 13.1:



- (a) each party will be released from its obligations under this deed, except that this clause 13.2, and clauses 1, 7.5–7.7, 8, 10, 12, 14, 15, 16 and 17 (except clause 17.10), will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed; and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Scheme.

13.3 Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating the Deed.

13.4 No other termination

Neither party may terminate or rescind this deed except as permitted under clauses 3.4 or 13.1.

14 Duty, costs and expenses

14.1 Stamp duty

Neon:

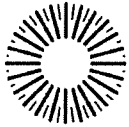
- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme; and
- (b) indemnifies MEO against any liability arising from its failure to comply with clause 14.1(a).

14.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

15 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 15(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.



- (c) The Additional Amount payable under clause 15(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15(b):
 - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

16 Notices

16.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party as nominated in Schedule 1 (or any alternative details nominated to the sending party by Notice).

16.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.



- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

16.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 16.2).

17 General

17.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



17.2 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 16.

17.3 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

17.4 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 17.4(a) does not apply where enforcement of the provision of this deed in accordance with clause 17.4(a) would materially affect the nature or effect of the parties' obligations under this deed.

17.5 Waiver

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 17.5 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

17.6 Variation

A variation of any term of this deed must be in writing and signed by the parties.

17.7 Assignment of rights

- (a) A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party.



- (b) A breach of clause 17.7(a) by a party shall be deemed to be a material breach for the purposes of clause 13.1(a)(1).
- (c) Clause 17.7(b) does not affect the construction of any other part of this deed.

17.8 Acknowledgement

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of clause 11 and that the other party is entitled to seek and obtain without limitation injunctive relief if the party breaches clause 11.

17.9 No third party beneficiary

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other person, other than the Neon Indemnified Parties and the MEO Indemnified Parties, to the extent set forth in clause 7, any third party beneficiary rights.

17.10 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

17.11 Entire agreement

This deed states all the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter (other than the Confidentiality Agreement).

17.12 Counterparts

This deed may be executed in any number of counterparts.

17.13 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

17.14 Remedies cumulative

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.

17.15 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power,



authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.



Schedules

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Schedule 1

Notice details

Neon

Address	Ground Floor 88 Colin Street West Perth WA 6005
Attention	Managing Director
Phone	+61 8 9481 1176
Fax	+61 8 9481 7720
Email	ken.charsinsky@neonenergy.com

MEO

Address	Level 23 500 Collins Street Melbourne VIC 3000
Attention	Chairman
Phone	+61 3 8625 6000
Fax	+61 3 9614 0660
Email	admin@meoaustralia.com.au



Schedule 2

Neon Representations and Warranties

Neon represents and warrants to MEO (in its own right and separately as trustee or nominee for each of the other MEO Indemnified Parties) that:

- (a) **Neon Information:** the Neon Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to MEO Shareholders, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having been formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Neon Information:** the Neon Information:
 - (1) will be provided to MEO in good faith and on the understanding that MEO and each other MEO Indemnified Party will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme; and
 - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules,and all information provided by Neon to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (c) **new information:** it will, as a continuing obligation, provide to MEO all further or new information which arises after the Scheme Booklet has been despatched to MEO Shareholders (other than Excluded Shareholders) until the date of the Scheme Meeting which is necessary to ensure that the Neon Information is not misleading or deceptive (including by way of omission);
- (d) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of Neon;
- (f) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed;
- (g) **no default:** this deed does not conflict with or result in the breach of or a default under:
 - (1) any provision of Neon's constitution; or
 - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other Neon Group Member is boundand it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this deed;
- (h) **deed binding:** this deed is a valid and binding obligation of Neon, enforceable in accordance with its terms;

- (i) **continuous disclosure:** as at the date of this deed and:
 - (1) at all times up to 8:00am on the Second Court Date, Neon has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1; and
 - (2) as at 8:00am on the Second Court Date, other than for this Transaction and as otherwise disclosed to MEO before the date of this deed, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (j) **capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 5 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Neon Shares other than as set out in Schedule 5 and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Neon Shares, options, warrants, performance rights or other securities or instruments in Neon;
- (k) **interest:** any company, partnership, trust, joint venture or other enterprise in which Neon or another Neon Group Member owns or has a material interest in is as notified in writing by Neon to MEO prior to entry into this deed;
- (l) **Insolvency Event:** no Insolvency Event has occurred in relation to it or another Neon Group Member;
- (m) **compliance:** each member of the Neon Group has complied in all material respects with all Australian laws and regulations applicable to them and orders of Australian Government Agencies having jurisdiction over them and, so far as Neon is aware, all foreign laws and regulations applicable to them and orders of foreign Government Agencies having jurisdiction over them, and each member of the Neon Group has all material licenses, authorisations and permits necessary for them to conduct the business of the Neon Group as presently being conducted;
- (n) **advisors:** it has provided complete and accurate information regarding fee levels in all retainers and mandates with Financial Advisors and fee estimates for other advisors in relation to the Scheme and any Competing Proposals or any other transaction where such retainer or mandate is current, or under which the Neon Group still has obligations;
- (o) **Neon Disclosure Materials:** it has collated and prepared all of the Neon Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as Neon is aware, the Disclosure Materials have been collated with all reasonable care and skill;
- (p) **all information:** it is not aware of any information relating to the Neon Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a Neon Material Adverse Change that has not been disclosed to ASX or in the Neon Disclosure Materials;
- (q) **not misleading:** all information it has provided to the Independent Expert, pursuant to clause 5.2(d) or otherwise, or to MEO is accurate and not misleading and it has not omitted any information required to make the information provided to the Independent Expert or MEO not misleading; and
- (r) **New Neon Shares:** the New Neon Shares to be issued in accordance with clause 4.3 and the terms of the Scheme will be duly authorised and validly issued or transferred, fully paid and free of all security interests and third party rights and will rank equally with all other Neon Shares then on issue.



Schedule 3

MEO Representations and Warranties

MEO represents and warrants to Neon (in its own right and separately as trustee or nominee for each of the other Neon Indemnified Parties) that:

- (a) **MEO Information:** the MEO Information contained in the Scheme Booklet other than the Neon Information, as at the date the Scheme Booklet is despatched to MEO Shareholders, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having being formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of MEO Information:** the MEO Information:
 - (1) will be prepared and included in the Scheme Booklet in good faith and on the understanding that Neon and each other Neon Indemnified Party will rely on that information for the purpose of determining to proceed with the Transaction; and
 - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules,and all information provided by MEO to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (c) **new information:** it will, as a continuing obligation (but in respect of the Neon Information, only to the extent that Neon provides MEO with updates to the Neon Information), ensure that the Scheme Booklet is updated to include all further or new information which arises after the Scheme Booklet has been despatched to MEO Shareholders (other than Excluded Shareholders) until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission);
- (d) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of MEO;
- (f) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed;
- (g) **no default:** this deed does not conflict with or result in the breach of or a default under:
 - (1) any provision of MEO's constitution;
 - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other MEO Group Member is bound,

and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this deed;



- (h) **deed binding:** this deed is a valid and binding obligation of MEO, enforceable in accordance with its terms;
- (i) **continuous disclosure:** as at the date of this deed:
 - (1) and at all times up to 8:00am on the Second Court Date, MEO has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1; and
 - (2) and as at 8:00am on the Second Court Date, other than for this Transaction and as otherwise disclosed to Neon before the date of this deed, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (j) **capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 4 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into MEO Shares other than as set out in Schedule 4 and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any MEO Shares, options, warrants, performance rights or other securities or instruments in MEO;
- (k) **interest:** any company, partnership, trust, joint venture or other enterprise in which MEO or another MEO Group Member owns or has a material interest in is as notified in writing by MEO to Neon prior to entry into this deed;
- (l) **Insolvency Event:** no Insolvency Event has occurred in relation to it or another MEO Group Member;
- (m) **compliance:** each member of the MEO Group has complied in all material respects with all Australian laws and regulations applicable to them and orders of Australian Government Agencies having jurisdiction over them and, so far as MEO is aware, all foreign laws and regulations applicable to them and orders of foreign Government Agencies having jurisdiction over them, and each member of the MEO Group has all material licenses, authorisations and permits necessary for them to conduct the business of the MEO Group as presently being conducted;
- (n) **advisors:** it has provided complete and accurate information regarding fee levels in all retainers and mandates with Financial Advisors and fee estimates for other advisors in relation to the Scheme and any Competing Proposals or any other transaction where such retainer or mandate is current, or under which the MEO Group still has obligations;
- (o) **MEO Disclosure Materials:** it has collated and prepared all of the MEO Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as MEO is aware, the Disclosure Materials have been collated with all reasonable care and skill;
- (p) **all information:** it is not aware of any information relating to the MEO Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a MEO Material Adverse Change that has not been disclosed to ASX or in the MEO Disclosure Materials; and
- (q) **not misleading:** all information it has provided to the Independent Expert, pursuant to clause 5.1(q) or otherwise, or to Neon is accurate and not misleading and it has not omitted any information required to make the information provided to the Independent Expert or Neon not misleading.



Schedule 4

MEO details

Security	Total number on issue
MEO Shares	750,488,387
MEO Options	15,930,000
MEO Performance Rights	350,000



Schedule 5

Neon details

Security	Total number on issue
Neon Shares	553,037,848
Neon options	2,000,000
Neon performance rights	36,773,500



Signing page

Executed as a deed

Executed by
Neon Energy Limited
in accordance with section 127 of the
Corporations Act 2001 (Cth)
by

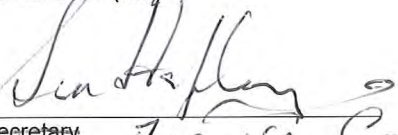
sign here ▶ _____
Company Secretary/Director

print name _____

sign here ▶ _____
Director

print name _____

Executed by
MEO Australia Limited
in accordance with section 127 of the
Corporations Act 2001 (Cth)
by

sign here ▶  _____
Company Secretary **SEAN HAFHEY** **SEAN HAFHEY CHAIRMAN (DIRECTOR)**
print name **STEPHEN WOODHORSEY**

sign here ▶  _____
Director

print name **Jürgen Hendrich**



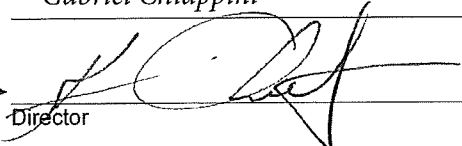
Signing page

Executed as a deed

Executed by
Neon Energy Limited
in accordance with section 127 of the
Corporations Act 2001 (Cth)
by

sign here ► _____
Company Secretary/Director

print name Gabriel Chiappini

sign here ► 
Director

print name KENNETH CHARINSKY

Executed by
MEO Australia Limited
in accordance with section 127 of the
Corporations Act 2001 (Cth)
by

sign here ► _____
Company Secretary

print name _____

sign here ► _____
Director

print name _____



HERBERT
SMITH
FREEHILLS

Attachment 1

Scheme of arrangement

[Attached]



HERBERT
SMITH
FREEHILLS

Scheme of arrangement

MEO Australia Limited

Scheme Shareholders



Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

MEO

MEO Australia Limited

ABN 43 066 447 952 of Level 23, 500 Collins Street, Melbourne,
Victoria 3000

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) MEO is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. MEO Shares are quoted for trading on the ASX.
- (b) As at **5 November 2014**:
 - (1) 750,488,387 MEO Shares were on issue and officially quoted on ASX;
 - (2) 15,930,000 MEO Options were on issue and were not quoted on any stock exchange; and
 - (3) 350,000 MEO Performance Rights were on issue and were not quoted on any stock exchange.



- (c) Neon is a public company limited by shares, registered in New South Wales, Australia, and admitted to the official list of the ASX.
- (d) If this Scheme becomes Effective:
 - (1) Neon must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Neon and MEO will enter the name of Neon in the Share Register in respect of the Scheme Shares.
- (e) MEO and Neon have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Neon but does not itself impose an obligation on it to perform those actions. Neon has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Neon and MEO;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Neon and MEO having been satisfied; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Neon and MEO agree in writing).

3.2 Certificate

- (a) Neon and MEO will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

- (b) The certificates referred to in clause 3.2(a) constitute conclusive evidence of the matters referred to in them.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

MEO must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which it receives an office copy of that Court order.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Neon, without the need for any further act by any Scheme Shareholder (other than acts performed by MEO as attorney and agent for Scheme Shareholders under clause 8.5), by:
- (1) MEO delivering to Neon a duly completed Scheme Transfer duly executed by it (as transferor) on behalf of the Scheme Shareholders; and
 - (2) Neon duly executing the Scheme Transfer (as transferee), attending to the stamping of the Scheme Transfer (if required) and delivering it to MEO for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), MEO must enter, or procure the entry of, the name of Neon in the Share Register in respect of all the Scheme Shares transferred to Neon in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

Neon must, subject to clauses 5.2, 5.3, 5.4 and 5.6:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Neon Register in respect of those New Neon Shares issued to them; and
- (b) procure that on or before the date that is five Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Neon Shares issued to the Scheme Shareholder pursuant to this Scheme.



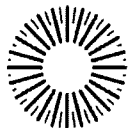
5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the New Neon Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of MEO, the holder whose name appears first in the MEO Share Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of MEO, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

- (a) Neon will be under no obligation to issue any New Neon Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
 - (1) subject to clauses 5.4 and 5.6, Neon must, on or before the Implementation Date, issue the New Neon Shares which would otherwise be required to be issued (had they been Scheme Shareholders who are not Ineligible Foreign Shareholders) to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
 - (2) Neon must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Neon, sells or procures the sale of all the New Neon Shares issued to the Sale Agent and remits to MEO the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
 - (3) promptly after receiving the Proceeds in respect of the sale of all of the New Neon Shares referred to in clause 5.3(a)(1), MEO must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:
$$A = (B \div C) \times D$$
where
B = the number of New Neon Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are issued to the Sale Agent;
C = the total number of New Neon Shares which would otherwise have been issued to all Ineligible Foreign Shareholders (had they been Scheme Shareholders who are not Ineligible Foreign Shareholders) and which are issued to the Sale Agent; and
D = the Proceeds (as defined in clause 5.3(a)(2)).
- (b) None of Neon, MEO or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Neon Shares described in clause 5.3(a).
- (c) MEO must make payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of MEO):



- (1) where an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the MEO Registry to receive dividend payments from MEO by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency to that account by electronic funds transfer; or
 - (2) whether or not the Ineligible Foreign Shareholder has made an election referred to in clause 5.3(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with clause 5.2).
- (d) If MEO receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder, MEO is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder and payment of the reduced amount shall be taken to be full payment for the purposes of this Scheme, including clause 5.3(a)(3). MEO must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, must provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or such evidence) to the relevant Ineligible Foreign Shareholder.
- (e) Each Ineligible Foreign Shareholder appoints MEO as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act.
- (f) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.

5.4 Fractional entitlements and splitting

- (a) Where the calculation of the number of New Neon Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Neon Share, the fractional entitlement will be rounded down to the nearest whole number of New Neon Shares.
- (b) If Neon and MEO are of the opinion, formed reasonably, that two or more Scheme Shareholders, each of which holds a holding of MEO Shares which results in a fractional entitlement to New Neon Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, then, if Neon and MEO agree (acting reasonably), Neon and MEO may give notice to those Scheme Shareholders:
 - (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the MEO Shares held by all of them,



and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those MEO Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no MEO Shares.

5.5 Unclaimed monies

- (a) MEO may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to MEO; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to MEO (or the MEO Registry) MEO must reissue a cheque that was previously cancelled under this clause 5.5.
- (c) The *Unclaimed Money Act 2008* (VIC) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (VIC)).

5.6 Orders of a court or Government Agency

If written notice is given to MEO (or the MEO Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by MEO in accordance with this clause 5, then MEO shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents MEO from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, then MEO shall be entitled to (as applicable):
 - (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; or
 - (2) direct Neon not to issue, or to issue to a trustee or nominee, such number of New Neon Shares as that Scheme Shareholder would otherwise be entitled to under this Scheme,

until such time as provision of the consideration in accordance with this this Scheme is permitted by that order or direction or otherwise by law.

5.7 Status of New Neon Shares

Subject to this Scheme becoming Effective, Neon must:

- (a) issue the New Neon Shares required to be issued by it under this Scheme on terms such that each such New Neon Share will rank equally in all respects with each existing Neon Share;



- (b) ensure that each such New Neon Share is duly and validly issued in accordance with all applicable laws and Neon's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Neon's constitution); and
- (c) use all reasonable endeavours to ensure that such New Neon Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

6 Dealings in MEO Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in MEO Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant MEO Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and MEO must not accept for registration, nor recognise for any purpose (except a transfer to Neon pursuant to this Scheme and any subsequent transfer by Neon or its successors in title), any transfer or transmission application or other request received after the Scheme Record Date, or received prior to the Scheme Record Date but not in registrable or actionable form.

6.2 Share Register

- (a) MEO must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this Scheme requires MEO to register a transmission application or transfer that would result in a MEO Shareholder holding a parcel of MEO Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and MEO shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, MEO must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for MEO Shares (other than statements of holding in favour of Neon or any Excluded Shareholder) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as



from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Neon or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the MEO Shares relating to that entry.

- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, MEO will ensure that details of the names, Registered Addresses and holdings of MEO Shares for each Scheme Shareholder as shown in the Share Register are available to Neon in the form Neon reasonably requires.

7 Quotation of MEO Shares

- (a) MEO must apply to ASX to suspend trading on the ASX in MEO Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Neon, MEO must apply:
 - (1) for termination of the official quotation of MEO Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) MEO may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Neon has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for MEO has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (1) agrees to the transfer of their MEO Shares together with all rights and entitlements attaching to those MEO Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their MEO Shares constituted by or resulting from this Scheme;
 - (3) agrees to become a member of Neon and to be bound by the terms of the constitution of Neon; and
 - (4) acknowledges that this Scheme binds MEO and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).



- (b) Each Scheme Shareholder is taken to have warranted to MEO and Neon on the Implementation Date, and appointed and authorised MEO as its attorney and agent to warrant to Neon on the Implementation Date, that all their MEO Shares (including any rights and entitlements attaching to those MEO Shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their MEO Shares to Neon together with all rights and entitlements attaching to those MEO Shares. MEO undertakes that it will provide such warranty to Neon as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Neon will, at the time of transfer of them to Neon, vest in Neon free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by this Scheme, Neon will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by MEO of Neon in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated this Scheme, and until MEO registers Neon as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Neon as attorney and agent (and directed Neon in each such capacity) to appoint any director, officer, secretary or agent nominated by Neon as its sole proxy and, where applicable or appropriate, corporate representative to attend meetings of MEO Shareholders, exercise the votes attaching to the Scheme Shares registered in their name and sign any resolution of MEO Shareholders;
- (b) must not attend or vote at any meetings of MEO Shareholders or sign any resolutions of MEO Shareholders, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Neon reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Neon and any director, officer, secretary or agent nominated by Neon under clause 8.4(a) may act in the best interests of Neon as the intended registered holder of the Scheme Shares.

8.5 Authority given to MEO

Each Scheme Shareholder, without the need for any further act:



- (a) on the Effective Date, irrevocably appoints MEO and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Neon, and MEO undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Neon on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints MEO and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and MEO accepts each such appointment. MEO as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to MEO which are binding or deemed to be binding as between the Scheme Shareholder and MEO and which relate to MEO or MEO Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on MEO Shares; and
- (c) notices or other communications from MEO (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Neon in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Neon and to be a binding instruction, notification or election to, and accepted by, Neon in respect of the New Neon Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended by that Scheme Shareholder in writing addressed to Neon at its registry.

8.7 Binding effect of Scheme

This Scheme binds MEO and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of MEO.

9 General

9.1 Stamp duty

Neon will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and



- (b) indemnify each Scheme Shareholder against any liability arising from any failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to MEO doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, MEO or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to MEO, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at MEO's registered office or at the office of the MEO Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a MEO Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in Western Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

MEO must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither MEO, Neon or any of their respective Related Bodies Corporate nor any director, officer, secretary, contractor or employee of any of those companies or any of their respective Related Bodies Corporate shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth and Melbourne, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd (ACN 008 504 532) and ASX Clear Pty Limited (ACN 001 314 503).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	such court of competent jurisdiction under the Corporations Act agreed to in writing by Neon and MEO.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Neon covenants in favour of the Scheme Shareholders to perform the obligations attributed to it under this Scheme.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.



Term	Meaning
Effective Date	the date on which this Scheme becomes Effective.
End Date	the date that is 6 months after the date of the Implementation Deed, or such other date as agreed in writing by the parties.
Excluded Shareholder	any MEO Shareholder who is a member of the Neon Group or any MEO Shareholder who holds any MEO Shares on behalf of, or for the benefit of, any member of the Neon Group and does not hold MEO Shares on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Implementation Deed	the merger implementation deed dated 5 November 2014 between MEO and Neon relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the MEO Share Register on the Scheme Record Date is a place outside Australia and its external territories or New Zealand, unless Neon determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Neon Shares when this Scheme becomes Effective.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	a parcel of New Neon Shares having a value of not less than \$500 based on the closing price of fully paid ordinary shares of Neon on the ASX as at the Scheme Record Date.
MEO Option	an option granted by MEO to acquire one unissued MEO Share, including options granted under MEO's Long Term Incentive Plan adopted by MEO on 13 September 2011.
MEO Performance	a right granted by MEO to acquire one unissued MEO Share for nil



Term	Meaning
Right	consideration.
MEO Registry	Link Market Services Limited (ABN 54 083 214 537).
MEO Share	a fully paid ordinary share in the capital of MEO.
MEO Shareholder	each person who is registered as the holder of an MEO Share in the Share Register.
Neon	Neon Energy Limited (ABN 49 002 796 974) of Ground Floor, 88 Colin Street, West Perth, Western Australia 6005.
Neon Group	Neon and each of its Subsidiaries and a reference to a 'Neon Group Member' or 'a member of the Neon Group' is to Neon or any of its Subsidiaries.
Neon Register	the register of shareholders maintained by Neon or its agent.
New Neon Share	a fully paid ordinary share in Neon to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a MEO Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Related Bodies Corporate	the meaning set out in section 50 of the Corporations Act.
Sale Agent	a person appointed by appointed Neon to sell the New Neon Shares that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between MEO and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Neon and MEO.



Term	Meaning
Scheme Consideration	the consideration to be provided by Neon to each Scheme Shareholder for the transfer of each Scheme Share, being for each MEO Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.7369 New Neon Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the MEO Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	5.00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Shareholder	a holder of MEO Shares recorded in the Share Register as at the Scheme Record Date.
Scheme Shares	all MEO Shares held by the Scheme Shareholders as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Neon as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Share Register	the register of members of MEO maintained in accordance with the Corporations Act.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;



- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them;
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.



4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



HERBERT
SMITH
FREEHILLS

Attachment 1

Deed Poll

[Attached]



HERBERT
SMITH
FREEHILLS

Attachment 2

Deed poll

[Attached]



HERBERT
SMITH
FREEHILLS

Deed

Scheme deed poll

Neon Energy Limited



Scheme deed poll

Date ►

This deed poll is made

By **Neon Energy Limited**
ABN 49 002 796 974 of Ground Floor, 88 Colin Street, West Perth,
Western Australia 6005
(Neon)

In favour of each person registered as a holder of fully paid ordinary shares in
MEO Australia Limited (**MEO**) in the MEO Share Register as at the
Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 MEO and Neon have entered into the Implementation Deed.
- 2 Under the Implementation Deed, Neon agreed to make this deed poll in favour of the Scheme Shareholders.
- 3 Neon is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the merger implementation deed entered into between MEO and



Term	Meaning
	Neon dated 5 November 2014.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between MEO and the Scheme Shareholders, the form of which is set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Neon and MEO.
(b)	Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Neon acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints MEO and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Neon.

2 Conditions to obligations

2.1 Conditions

The obligations of Neon under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Neon under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
 - (b) the Scheme is not Effective on or before the End Date,
- unless Neon and MEO otherwise agree in writing.



2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Neon is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Neon in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Neon undertakes in favour of each Scheme Shareholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

3.2 Shares to rank equally

Neon covenants in favour of each Scheme Shareholder that the New Neon Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally with all existing Neon Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of Neon).

4 Warranties

Neon represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.



5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Neon has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Neon in accordance with the details set out below (or any alternative details nominated by Neon by Notice).

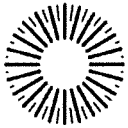
Attention	Managing Director
<hr/>	
Address	Ground Floor 88 Colin Street West Perth WA 6005
<hr/>	
Fax no	+ 61 8 9481 7720
<hr/>	
Email address	admin@neonenergy.com
<hr/>	

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
<hr/>	
By pre-paid post to the nominated	At 9.00am (addressee's time) on the second Business
<hr/>	



Method of giving Notice	When Notice is regarded as given and received
address	Day after the date of posting
By fax to the nominated fax number	<p>At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety.</p> <p>However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.</p>
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Neon:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Western Australia.
- (b) Neon irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Neon irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



7.3 Waiver

- (a) Neon may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Neon as a waiver of any right unless the waiver is in writing and signed by Neon.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by MEO; or
- (b) if on or after the First Court Date, the variation is agreed to by MEO and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Neon will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Neon and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.6 Assignment

- (a) The rights created by this deed poll are personal to Neon and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Neon.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Further action

Neon must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



HERBERT
SMITH
FREEHILLS

Attachment 1

Scheme

[Attached]



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed poll

Signed sealed and delivered by
Neon Energy Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____



HERBERT
SMITH
FREEHILLS

Attachment 3

Conditions Precedent certificate

[Attached]



Conditions precedent certificate

MEO Australia Limited (**MEO**) and Neon Energy Limited (**Neon**) certify, confirm and agree that (in respect of matters within their knowledge) each of the conditions precedent:

- 1 in clause 3.1 (other than the condition in clause 3.1(d) relating to Court approval) of the merger implementation agreement dated **[insert date]** between MEO and Neon (**MIA**) has been satisfied or is hereby waived by the relevant party (or parties) to the MIA in accordance with the terms of the MIA; and
- 2 in clauses 3.1(a) and 3.1(b) of the scheme of arrangement between MEO and the relevant MEO shareholders which appears in Annexure **[insert]** of MEO's scheme booklet dated **[insert date]** has been satisfied.

Dated: **[insert date]**

Executed as a deed

Signed sealed and delivered by
MEO Australia Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

Signed sealed and delivered by
Neon Energy Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____