



## **ASX ANNOUNCEMENTS OFFICE**

### **Natural Fuel Limited - Recapitalisation Proposal**

Natural Fuel Limited (“NFL” or “Company”) has continued to look for opportunities to reinstate to trading on the ASX and is now pleased to advise that it has signed a Statement of Intent with consultant firm, Canton McKenzie Capital Hong Kong Limited (“Canton McKenzie”) to assist the Company’s reinstatement.

The Company, with Canton McKenzie acting as an arranger and referrer, intends to seek reinstatement in the Financial Services Industry. The intent of the Company is to operate as a Funds Management Company with a focus on high growth opportunities.

Canton McKenzie have introduced NFL to Bridge Global Securities Pty Ltd (“Bridge Global”). Bridge Global is 100% owned by Shariott Investments Limited, a BVI Company operating in Singapore.

NFL has reached agreement with Shariott Investments Limited to acquire 100% of Bridge Global and to seek reinstatement on the ASX as a financial services and funds management company based in Hong Kong. On completion of the acquisition NFL, through its interest in Bridge Global, will in turn control the following assets:

1. 50% of Hanhong (Hong Kong) Limited (“Hanhong HK”) and Hanhong Management (Cayman) SPC Limited (“Hanhong Cayman”) (collectively the “Hanhong Group”). The Hanhong Group provides the financial services arm of NFL’s planned operating business as described in greater detail below; and
2. 49% of AG Global Asset Management Ltd (“AG Global”) AG Global is a funds management company with substantial funds under management.

On completion of the acquisition it is proposed that NFL will change its name to Bridge Global Asset Management Limited.

#### **The acquisition and future business**

NFL will acquire Bridge Global Securities Pty Ltd at a price of \$2,500,000 to be satisfied through the issue of equity at a price of \$0.20 per share, together with the provision of \$400,000 as a security deposit to support the licences that Hanhong (HK) own.

Hanhong (HK) is a financial services company which deals in broking, financial services, capital raisings, mergers and acquisitions, funds management and other financial activities. It holds all necessary licences to allow it to operate such a business in Hong Kong, specifically the following securities licences:

- Type 1 – Dealing in Securities;
- Type 4 – Advising on securities; and
- Type 9 – Management of Securities.

Hanhong Management (Cayman) SPC Limited is an investment manager which provides the necessary funds platform for the business.

The acquisition price through Bridge Global as it relates to the Hanhong Group (Hanhong HK and Hanhong Cayman) essentially comprises the set up costs of the Hanhong Group in respect of obtaining the requisite licences to operate such a business.

AG Global Asset Management Ltd is a fund manager with substantial funds under management which will provide the company with a revenue stream from acquisition of approximately \$730,000 pa.

The Hanhong Group and AG Global are complementary businesses, with the intent of the Company to utilize the licenses within Hanhong HK to assist it to grow the funds under management of AG Global. Funds under management under AG Global are currently held through 10 separately managed SPC portfolios.

Bridge Global will be operator of the Hanhong financial services group whilst providing back office and administrative support to AG Global.

The agreement between the groups is effectively an equity joint venture which gives Bridge Global Securities Pty Ltd an “East meets West” style of Asset Management company. The group will have a dedicated and experienced international team of professionals specializing in Asian financial products and investments. The Hong Kong-registered Asset Management company, Hanhong HK, holds a Licence under the Securities and Futures Ordinance from the Securities and Futures Commission in Hong Kong to carry out regulated activities in Fund Management (Type 9), Advisory (Type 4) and Dealing in securities for accredited investors (Type 1).

The Hanhong Group provides Bridge Global with a “gateway” to Asian financial markets with its extensive network, long standing experience of Asian markets and direct presence as well as being uniquely placed to access the growing Chinese market. The Hanhong Group also provides structuring, trading and operational solutions for its clients to execute their Asian investment strategies or expansion aspirations.

The acquisition of Bridge Global will be conditional upon the completion of satisfactory due diligence (to be concluded prior to release of the Notice of Meeting to shareholders), regulatory and shareholder approval and the successful reinstatement of the Company through the necessary re-compliance with Chapters 1 and 2.

An indicative timetable, pro-forma balance sheet and indicative capital structure resulting from this acquisition are found in Appendix One to this announcement.

An organizational structure can be found in Appendix Two to this announcement.

## Proposed Reinstatement to ASX

The proposed steps to reinstatement are as follows:

1. The Company to reach Agreement with holders of three series of Convertible Notes totalling \$620,000 to redeem their Notes at 40% of their existing face value;
2. The Company, through Canton McKenzie and their associates plans to raise up to \$2,000,000, with a minimum \$550,000, through a Convertible Note issue to allow the Company to do all things necessary to prepare itself for reinstatement. The Notes will be convertible to equity immediately following shareholder approval at a price of \$0.05 per Note;
3. The Company will hold a shareholder's meeting (see indicative timetable below) at which the following resolutions will be put to shareholders:
  - i. Approval to change Nature and Scale of activities;
  - ii. Conversion of the Convertible Notes referred above to shares in the Company at \$0.05 per share;
  - iii. Approval to acquire 100% of Bridge Global Securities Pty Ltd;
  - iv. Approval to issue up to 50,000,000 shares at \$0.20 per share, with a free attaching option exercisable at \$0.25 within 3 years of the date of reinstatement;
  - v. Issue of 5,000,000 Incentive shares to Canton McKenzie or its nominees at a price of \$0.0001 per share; and
  - vi. A change of name to Bridge Global Asset Management Limited.

The shares referred above, other than the conversion of Convertible Notes, will not be issued until conclusion of the transaction, which will be on approval by ASX for the company to re-comply.

4. The Company will issue a Prospectus for the Public to raise up to A\$10M in working capital. NFL will require a minimum NTA of \$3M to re-instate to trading on the ASX.
5. The Company will reinstate to ASX trading once it has re-complied with Chapters 1 and 2 of the ASX Listing Rules.

Canton McKenzie has confirmed to the Company its significant contacts through Asia with whom they have already commenced marketing the proposal. Notwithstanding their assurances, the Company has structured the proposal such that there are financial commitments from Canton McKenzie based on certain milestones which will ensure that the Company is not exposed financially and prove Canton McKenzie's bone fides as the parties work through the reinstatement process.

This includes an initial deposit (\$50,000) to NFL, which has been received, which allows the Company to commence its necessary processes, which include preparation of Notice of Meeting and commencement of outstanding audit activities.

## **Outstanding Accounts**

The Company has not been in a position to prepare accounts for a period of time due to a lack of financial resources available to it since it went into Administration on 14 April 2009. It has commenced the preparation of all outstanding accounts and will be required to lodge those with ASIC before reinstatement to ASX trading.

It has received a Prosecution Notice from the Commonwealth Director of Public Prosecutions in relation to these outstanding accounts. It will be attending at Court on 25 July to seek mitigation in relation to this matter in such a fashion that it can move forward with the proposal as outlined within.

## **Board Changes**

As part of the agreed arrangements moving forward with the proposal Mr. Simon Cole has resigned as a Director of the Company. We thank Mr Cole for his efforts on behalf of the Company and wish him well into the future.

Mr. Jason Dixon has been appointed a Board Member. Jason has held various senior positions within the investment and healthcare industries. Jason has been providing strategic investment advice and services on all aspects of Australian and International equities to retail clients and institutions. With a specialty in Australian equities, Jason provides corporate advice and market strategies to the Healthcare and Biotech industries, which includes listed and unlisted public companies. He holds various formal qualifications, including a post-graduate Diploma in Applied Finance and Investment.

For any queries please contact the following Directors via email at:

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## Appendix One

### Proposed New Capital Structure on Reinstatement (Maximum Subscription)

Event	Shares	Options	%age Interest (Undiluted)	Notes
Currently on issue	721,912		0.95%	1
Administration Issue	400,000		0.54%	2
Convertible Notes	40,000,000	40,000,000	54.42%	3
Acquisition – Bridge Global Securities Pty Ltd	12,500,000	12,500,000	16.87%	4
Public Offer - IPO	15,000,000	15,000,000	20.41%	5
Incentive Shares	5,000,000	5,000,000	6.80%	6
<b>Total</b>	<b>73,621,912</b>	<b>72,500,000</b>	<b>100%</b>	<b>7</b>

#### Notes:

1. Existing shares following a 1 for 700 reconstruction approved by shareholders at a meeting held on August 16 2010;
2. Issue to existing creditors to conclude Administration of the Company and as agreed within the amended DOCA approved by creditors;
3. Conversion of proposed new issue of Convertible Notes (Maximum Subscription) at a price of \$0.05 per share;
4. The acquisition of Bridge Global comprises the issue of shares at \$0.20 and the payment of a security deposit of \$400,000;
5. The ability of the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules will depend in part on its ability to prove that it has \$3M or greater in Net Tangible Assets (“NTA”). The NTA will in part comprise assets resulting from the acquisition of Bridge Global Securities Pty Ltd, cash from the capital raising at \$0.05 per share, and cash raised through the IPO at \$0.20;
6. Issue of Incentive Shares to Canton McKenzie for proposing and arranging the above issues;

7. None of the issues contemplated above will result in any shareholder holding greater than 19.9% of the Company.

**Indicative Timetable**

	<b>Date</b>
Dispatch of Notice of Meeting to Existing Shareholders	15 August 2014
General Meeting of Existing Shareholders	14 September 2014
Lodgement of Prospectus with ASIC	15 September 2014
Prospectus Offer Opens	22 September 2014
Prospectus Offer Closes	12 October 2014
Allotment of all New Shares and New Options	19 October 2014
Satisfaction of all Requirements for Reinstatement	22 October 2014
Re-instatement to trading on the ASX	29 October 2014

**Natural Fuel Ltd**  
**Pro Forma Balance Sheet**  
**as at 30 June 2014**

	Note	30 June 2014 Unaudited \$	30 June 2014 Pro-forma \$
<b>Assets</b>			
<b>Current assets</b>			
Cash & cash equivalents	1	51,000	4,152,300
Total current assets		<b>51,000</b>	<b>4,152,300</b>
<b>Non-current assets</b>			
Investments	2	-	2,318,000
Total non-current assets		-	<b>2,318,000</b>
<b>Total assets</b>		<b>51,000</b>	<b>6,520,300</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade & other payables	3	(102,000)	-
Total current liabilities		<b>(102,000)</b>	-
<b>Non-current liabilities</b>			
Outstanding Convertible Notes	4	(670,000)	-
Total Non Current Liabilities		(670,000)	-
<b>Total liabilities</b>		<b>(760,000)</b>	-
<b>Net assets/(liabilities)</b>		<b>(709,000)</b>	<b>6,520,300</b>

**Notes to the Balance Sheet:**

1. Cash at bank at June 30 comprises cash and deposits with solicitors and auditors. Pro-forma cash results from capital raising of \$5M in total, being \$2M at \$0.05 and \$3M at \$0.20,

less costs of the re-compliance activities, including paying out creditors considered in 3 below and capital raising fees at 5%.

2. Investment in Bridge Global Securities Pty Ltd.
3. Existing outstanding creditors as at 30 June will be repaid at an agreed rate from capital raising activities.
4. Existing issued Convertible Notes. These Notes will be repaid, or redeemed prior to reinstatement of the Company.



## Appendix Two

### Organisation Chart – Post ASX Reconciliation

