

OGI GROUP LTD

ASX / MEDIA ANNOUNCEMENT

29 July 2014

COMPANY INFORMATION

OGI Group Ltd
ABN 34 090 074 785

COMPANY DIRECTORS

Chris Ritchie – Exec-Director
Rob Oliver - Director
Chris Porter – Director

MANAGEMENT

Chris Ritchie – CFO / Co Sec

STOCK EXCHANGE LISTING

Australian Stock Exchange
ASX Code: OGI

Current Shares on Issue:
191,940,064
Market Capitalization as at
28 July 2014 based on a share
price of \$0.003 per share:
AUD \$0.6 million

CURRENT PROJECTS

Napoleonville
Bowtie West

CLARIFICATION RE TERMS OF CONVERTIBLE NOTES

OGI Group Ltd (“the Company”) wishes to clarify to shareholders and investors the terms of the convertible notes that it has on issue.

On 19 May 2014, the shareholders of the Company passed a resolution to approve the consolidation of the Company’s shares on the basis that every 25 shares in the Company would be consolidated into 1 share, options would be adjusted in accordance with ASX Listing Rule 7.22.1 and the convertible notes on issue would be adjusted in accordance with their terms and ASX Listing Rule 7.21 (“Consolidation”).

The Company announced the completion of the Consolidation on 28 May 2014.

Prior to the Consolidation, the Company had the following convertible notes on issue:

Type	Number	Conversion Price	Maturity
Series 1	6,000,000	Lower of \$0.05 and 85% of 10 day VWAP on the 10 days prior to conversion notice.	30 June 2014
Series 2	4,120,000	Lower of \$0.05 and 85% of 10 day VWAP on the 10 days prior to conversion notice.	30 June 2014
Series 3	16,600,000	In respect of early redemption called by the Company, redemption on the maturity date or redemption in an event of default, 85% of the VWAP on the 5 days prior to conversion or maturity. In respect of conversion by the noteholder, 90% of 5 day VWAP on the 5 days prior to conversion notice.	30 September 2014
Series 4	4,000,000	Lower of \$0.05 and 85% of 10 day VWAP prior to conversion notice.	31 December 2014
Lind	1	Lower of \$0.006 and 90% of the average of 3 daily VWAPS (to 3 decimal places) selected by the investor during the 20 consecutive trading days prior to conversion notice.	19 March 2015

The terms of the convertible notes generally provide that in the event of a consolidation, the basis for conversion of the convertible notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and otherwise in accordance with ASX Listing Rule 7.21.

The Company wishes to clarify that, in accordance with the terms of the Series 3, Series 4 and Lind convertible notes and ASX Listing Rule 7.21, the conversion prices of the convertible notes have been reconstructed and are now:

- (a) the fixed component of the conversion price pre Consolidation (if any) multiplied by 25; and
- (b) the VWAP component of the conversion price.

In respect of limb (b), the notice of meeting described a x25 multiplier. The Company wishes to clarify that this multiplier in limb (b) is implicit in the share price following the Consolidation and should be reflected in the share price and adjusted VWAP. Therefore it is not necessary to further adjust the VWAP component of the conversion price to comply with the terms of the convertible notes and Listing Rule 7.21.

Accordingly, the convertible notes now on issue are:

Type	Number	Conversion Price	Maturity
Series 1	6,000,000	Lower of \$0.05 and 85% of 10 day VWAP on the 10 days prior to conversion notice.	30 June 2014
Series 2	4,120,000	Lower of \$0.05 and 85% of 10 day VWAP on the 10 days prior to conversion notice.	30 June 2014
Series 3	16,600,000	In respect of early redemption called by the Company, redemption on the maturity date or redemption in an event of default, 85% of the VWAP on the 5 days prior to conversion or maturity. In respect of conversion by the noteholder, 90% of 5 day VWAP on the 5 days prior to conversion notice.	30 September 2014
Series 4	4,000,000	Lower of \$1.25 and 85% of 10 day VWAP prior to conversion notice.	31 December 2014
Lind	1	Lower of \$0.15 and 90% of the average of 3 daily VWAPS (to 3 decimal places) selected by the investor during the 20 consecutive trading days prior to conversion notice.	19 March 2015

Shareholders and investors should email investor.relations@ggp.com.au should they have any queries in relation to this announcement.

On behalf of the Board

Chris Ritchie
Executive Director