

This is an important document and requires your immediate attention.

If you are in any doubt as to how to deal with this document, you should consult your broker or financial, legal or other professional adviser as soon as possible.

# BIDDER'S STATEMENT ACCEPT

the cash Offer by **BCP ENERGY  
INTERNATIONAL PTE. LTD.,**  
a wholly-owned subsidiary of  
**The Bangchak Petroleum PCL**

to acquire all of your shares in

**Nido Petroleum Limited**  
**ABN 65 086 630 373 ("Nido")**

for

**5.5¢ cash per Nido Share**

The Directors of Nido have unanimously recommended that you accept the cash Offer, in the absence of a Superior Proposal.

## TO ACCEPT THE OFFER YOU MUST

Complete and sign the Acceptance Form accompanying this Bidder's Statement and return it to the address set out on the form before the Offer closes.

The Offer closes at 7:00 pm (Sydney time) on 19 September 2014, unless extended.

For more information call the Offer Information Line on 1300 856 028 or +612 8022 7909 or go to [www.nidooffer.com.au](http://www.nidooffer.com.au)



## Financial Adviser

**RECORD  
POINT**

## Legal Adviser

**BAKER & MCKENZIE**

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## IMPORTANT INFORMATION

This is a Bidder's Statement given by BCP Energy International Pte. Ltd. (**BCPE**) under Part 6.5 of Chapter 6 of the Corporations Act in relation to the Offer. BCPE is a wholly-owned subsidiary of The Bangchak Petroleum PCL (**Bangchak**). This Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the Offer.

This Bidder's Statement is dated 4 August 2014 and includes an Offer dated 19 August 2014 on the terms set out in this Bidder's Statement.

### ASIC

A copy of this Bidder's Statement was lodged with ASIC on 4 August 2014. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

### Investment decision

The information contained in this Bidder's Statement does not constitute financial product advice and this Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Nido Shareholder. You should seek independent financial and taxation advice before making the decision whether or not to accept the Offer.

### Forward looking statements

This Bidder's Statement may contain forward looking statements, which have not been based solely on historical facts, but are rather based on BCPE's current expectations about future events. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors many of which are beyond the control of BCPE. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of BCPE, its officers or any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any such statement.

The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

### Information on Nido

Nido is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on Nido may also be obtained from Nido at [www.nido.com.au](http://www.nido.com.au) and the ASX website [www.asx.com.au](http://www.asx.com.au).

The information on Nido has been prepared by BCPE using publicly available information as at the date of this Bidder's Statement. BCPE has not had the opportunity to independently verify the information about Nido contained in this Bidder's Statement. Nido has not commented on or verified any of the information relating to Nido in this Bidder's Statement. BCPE does not, to the maximum extent permitted by law, make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on Nido in this Bidder's Statement should not be considered to be comprehensive.

### Privacy collection statement

Personal information relating to your Nido Shares has been collected by BCPE in accordance with its rights under the Corporations Act. BCPE will share this information on a confidential basis with its advisers, service providers and regulators such as ASIC and the Australian Taxation Office when necessary for the purposes of the Offer. BCPE and its advisers and service providers will use the information solely for purposes relating to the Offer. You can contact the Offer Information Line if you have any queries about the privacy practices of BCPE.

### Notice to foreign shareholders

The distribution of this Bidder's Statement may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of and observe those restrictions. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

### Time

All references to time in this Bidder's Statement are to Sydney, Australia time.

### Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions are in Section 10. All references to \$ refer to Australian dollars, except where otherwise stated.

### Maps and diagrams

All maps and diagrams appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables in this Bidder's Statement is based on information available as at the date of this Bidder's Statement.

### Further information

If you have any questions about the Offer or how to accept the Offer, you should call the Offer Information Line on 1300 856 028 (toll free for calls within Australia) or +612 8022 7909 (calls outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time) or go to [www.nidooffer.com.au](http://www.nidooffer.com.au).

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# HOW TO ACCEPT BCPE'S OFFER

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## There are several ways to accept the Offer:

Issuer Sponsored Shareholders	<p>If there is an "I" next to your holder number on the Acceptance Form, your Nido Shares are held on Nido's issuer sponsored sub register.</p> <p>To accept the Offer, you must complete and sign the Acceptance Form and return it to the address indicated on the form before the Offer closes.</p>
CHESS Shareholders	<p>If there is an "X" next to your holder number on the Acceptance Form, your Nido Shares are in a CHESS Holding.</p> <p>To accept the Offer either:</p> <ul style="list-style-type: none"><li>• instruct your broker to accept the Offer on your behalf; or</li><li>• complete and sign the Acceptance Form and return it to the address indicated on the form,</li></ul> <p>before the Offer closes.</p>
Participants	<p>If you are a Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the Offer closes.</p>

To validly accept the Offer for your Nido Shares, your acceptance must be received before 7.00pm (Sydney time) on 19 September 2014, unless the Offer Period is extended in accordance with the Corporations Act. A reply paid envelope has been enclosed with this Bidder's Statement to enable Nido Shareholders with Australian addresses to return their completed Acceptance Form. Overseas Nido Shareholders should return their Acceptance Form by airmail.

Full details on how to accept the Offer are set out in Sections 9.14 to 9.29.

# TIMELINE OF KEY DATES

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Announcement Date	4 August 2014
Bidder's Statement lodged with ASIC	4 August 2014
Date of the Offer	19 August 2014
Offer scheduled to close (unless extended)	19 September 2014

Shareholders should note that the Closing Date for the Offer may change as permitted by the Corporations Act.

# DIRECTORS' LETTER

4 August 2014

Dear Nido Shareholder,

We are pleased to present BCPE's cash offer to acquire all your shares in Nido Petroleum Limited (**Nido**).

**If you accept our Offer you will receive 5.5 cents cash for every Nido Share you hold, subject to the Offer becoming unconditional.**

## Recommendation

Nido's Directors have unanimously recommended that Nido Shareholders accept the Offer, in the absence of a Superior Proposal. As at the date of this Bidder's Statement, no Superior Proposal has been received by Nido.

Each Nido Director who has a Relevant Interest in Nido Shares (which amounts to approximately 1.06% of Nido Shares in aggregate) has advised Nido's Board that they intend to accept the Offer in respect of those Nido Shares that they own or control, or any Nido Shares that they will own or control upon the vesting and exercise of any Nido Performance Rights which they own or control in the absence of a Superior Proposal.

## Benefits of and reasons for accepting the Offer

The Offer provides Nido Shareholders with significant benefits as follows:

- The Offer represents a substantial premium over the historical market price of Nido Shares. The Offer Price represents a premium of:
  - 77% to the last close price of Nido shares on 22 July 2014 of 3.1 cents, the last unaffected trading day prior to receipt of an ASX price query<sup>1</sup>;
  - 34% to the last close price of Nido shares on 29 July 2014 of 4.2 cents, the last trading day prior to Nido entering a trading halt;
  - 79% to the 1 week volume-weighted average price to 22 July 2014 of Nido shares of 3.1 cents;
  - 85% to the 1 month volume-weighted average price to 22 July 2014 of Nido shares of 3.0 cents; and
  - 70% to the 3 month volume-weighted average price to 22 July 2014 of Nido shares of 3.2 cents.

<sup>1</sup> Prior to Nido receiving an ASX price and volume query on 25 July 2014, which related to trading between 22 July 2014 and 25 July 2014.

When assessing the premium being offered over historical trading prices, Nido Shareholders should note that Nido Shares have historically traded at low volumes and therefore may experience greater price volatility than other listed shares.

- The Offer gives you certainty of cash and eliminates your exposure to risks associated with Nido. This is particularly relevant given the lack of liquidity in Nido Shares on the ASX, which makes it difficult for Nido Shareholders to sell on-market.
- The Offer is subject to only a limited number of conditions as summarised in Section 2.21.
- The price of Nido Shares is likely to fall if the Offer does not succeed.

BCPE currently has a Relevant Interest of 19.66% in Nido Shares which it has agreed to acquire from Petroleum International (Nido's largest shareholder) subject to receiving approval from the Foreign Investment Review Board.

This Bidder's Statement sets out details of the Offer, our terms and conditions and the benefits which it provides to Nido Shareholders. I urge you to read it carefully and accept the Offer as soon as possible by following the instructions set out in Section 9 of this Bidder's Statement. You should call 1300 856 028 (toll free for callers in Australia) or +612 8022 7909 (callers outside Australia) if you require assistance with your acceptance, Monday to Friday between 8.30am and 5.30pm (Sydney time) or go to [www.nidooffer.com.au](http://www.nidooffer.com.au).

The Offer is scheduled to close at 7.00pm (Sydney time) on 19 September 2014 (unless extended in accordance with the Corporations Act).

We very much look forward to your acceptance of the Offer.

Yours sincerely,



Mr. Surachai Kositsareewong  
Authorised Director



Mr. Somchai Tejavaniya  
Authorised Director

# WHY YOU SHOULD ACCEPT THE OFFER

1	The Offer represents a significant premium to recent trading levels (85% to 1 month VWAP pre ASX price query) with full cash consideration
2	The cash Offer gives you certainty and eliminates your exposure to risks associated with Nido which could affect the value of your Nido Shares
3	The Offer allows you to sell your entire shareholding in a stock which has very low trading liquidity
4	The Offer is only subject to limited conditions including FIRB approval, no prescribed occurrences, no material adverse effect affecting Nido, cancellation of the Nido Right to Ordinary Shares for nil consideration and BCPE acquiring a Relevant Interest in at least 90% of the Nido Shares on issue
5	Nido's share price is likely to fall if the Offer does not succeed
6	No Superior Proposal or alternative offer has been made for Nido Shares
7	BCPE is already Nido's largest shareholder with 19.66% of Nido Shares, and you may lose important legal protections under the Corporations Act if you do not accept



# 1 WHY YOU SHOULD ACCEPT THE OFFER

**1.1** The Offer provides significant benefits to you as a Nido Shareholder. The key reasons why you should accept the Offer are as follows:

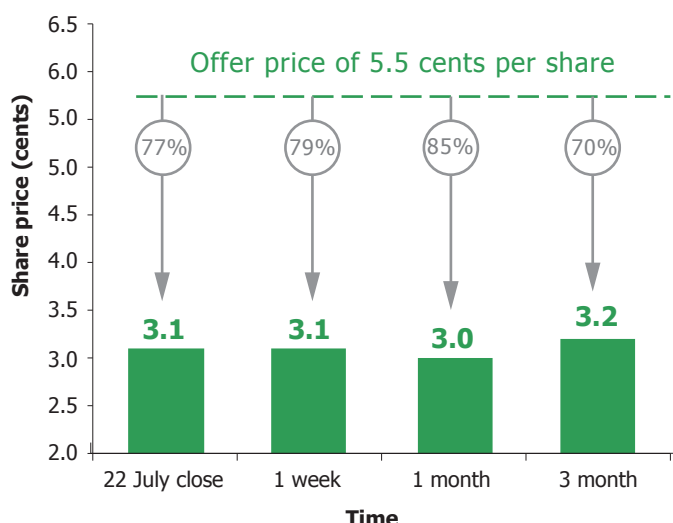
## The Offer Price represents a significant premium to Nido's trading price

**1.2** The Offer Price of 5.5 cents cash for each Nido Share is a compelling offer and represents a significant premium over the trading price of Nido Shares.

**1.3** The Offer Price represents a premium of:

- 77% to the last close price of Nido shares on 22 July 2014 of 3.1 cents, the last unaffected trading day prior to receipt of an ASX price query<sup>2</sup>;
- 34% to the last close price of Nido Shares on 29 July 2014 of 4.2 cents, the last trading day prior to entering a trading halt;
- 79% to the 1 week volume-weighted average price to 22 July 2014 of Nido Shares of 3.1 cents;
- 85% to the 1 month volume-weighted average price to 22 July 2014 of Nido Shares of 3.0 cents; and
- 70% to the 3 month volume-weighted average price to 22 July 2014 of Nido Shares of 3.2 cents.

## Premium to share price prior to ASX price query



<sup>2</sup> Prior to Nido receiving an ASX price and volume query on 25 July 2014, which related to trading between 22 July 2014 and 25 July 2014.

**1.4** The price of Nido Shares is likely to fall, at least in the short term, if the Offer does not succeed and no other takeover offer is made for Nido at or above the Offer Price.

**1.5** Due to the thinly traded nature of Nido Shares, these shares experience low volume trade and therefore may experience greater price volatility than other listed shares. You should note this in assessing the premium being offered over historical trading prices and your ability to sell your entire shareholding on market.

## Certain value for your Nido Shares

**1.6** The Offer by BCPE to acquire Nido Shares is for 100% cash consideration.

**1.7** If you accept the Offer, and the Conditions have been satisfied or waived, you will receive cash for your Nido Shares and will not be exposed to the risks inherent in continuing to hold your Nido Shares.

**1.8** This may be particularly attractive for Nido Shareholders given the significant risks associated with Nido's business in oil exploration and production, including:

- Uncertain exploration outlook – By its nature, oil exploration is an industry which is subject to considerable risk including government and regulatory risk, environmental risk and geological risk (e.g. the plug and abandonment of Nido's major SC63 prospect announced by Nido on 7 July 2014)
- Market volatility – Movements in security prices, including Nido Shares, may be volatile and impacted by events and economic conditions in Australian and international markets, including volatility in oil prices and the growth of substitute products such as gas in Australia and worldwide
- Low trading liquidity – Nido Shares have historically had very low trading liquidity on the ASX. Securities with low trading liquidity can be more difficult to sell on-market, including in relation to the disposal of an entire shareholding.

**1.9** If you do not accept the Offer, the amount you will be able to realise for your Nido Shares is uncertain.



## **Nido's offer is subject to limited conditions**

- 1.10** Conditions of the Offer are set out in full in Schedule 1. In summary, the key Conditions of the Offer include:
- (a) BCPE acquiring a Relevant Interest in at least 90% of the Nido Shares on issue;
  - (b) receipt of approval from the Foreign Investment Review Board;
  - (c) no material adverse change occurs in relation to Nido before the end of the Offer Period;
  - (d) no Prescribed Occurrences occur between the Announcement Date and the end of the Offer Period; and
  - (e) Cancellation of the Nido Right to Ordinary Shares for nil consideration before the end of the Offer Period.

## **Nido's Share price is likely to fall if the Offer lapses**

- 1.11** For the 1 month period prior to the 22 July 2014, the last unaffected trading day prior to receipt of an ASX price query, Nido's share price traded between 2.5 cents and 3.5 cents, closing at 3.1 cents on 22 July 2014.
- 1.12** While there are many factors that might influence the market price of Nido Shares, there is a risk that Nido's share price is likely to fall, at least in the short term, if the Offer does not succeed and no other takeover offer is made for Nido at or above the Offer Price.
- 1.13** The Offer provides an opportunity to dispose of all your Nido Shares, and to realise full and certain value for your entire holding in Nido.

## **No Superior Proposal or alternative offer**

- 1.14** The Offer by BCPE is the only offer available to Nido Shareholders as at the date of this Bidder's Statement.
- 1.15** As at the date of this Bidder's Statement, BCPE believes that the likelihood of another bidder emerging with a Superior Proposal is low. Accepting the Offer now provides Nido Shareholders with certainty and a significant premium over the historical trading price of Nido Shares, rather than waiting for a Superior Proposal or other alternative offer to emerge, which may never eventuate.

## **BCPE is Nido's largest shareholder**

- 1.16** BCPE has acquired a relevant interest of 19.66% in Nido, making BCPE Nido's largest shareholder.
- 1.17** On 30 July 2014, BCPE and Petroleum International Investment Corporation entered into a Share Sale Agreement pursuant to which BCPE agreed to purchase from Petroleum International Investment Corporation 402,951,875 Nido Shares (which equates to a Relevant Interest in Nido of 19.66%) conditional on BCPE obtaining foreign investment approval from the Treasurer.
- 1.18** The consideration for the acquisition of those Nido Shares was cash of 5.5 cents per Nido Share, the same as the consideration under the Offer.

## **You may risk becoming a minority Nido Shareholder and lose important protections under the Corporations Act**

- 1.19** If BCPE gains a majority shareholding in Nido (but is not entitled to compulsorily acquire Nido), those Nido Shareholders who do not accept the Offer will become minority Nido Shareholders with possibly less influence over the future direction and control of Nido.
- 1.20** Nido will remain a listed entity in this case (see Sections 6.18 to 6.19 on BCPE's intentions for Nido as a partly owned company). However, with BCPE as the majority shareholder, there may be very limited liquidity in Nido Shares. This may mean that minority Nido Shareholders may find it more difficult to buy and sell Nido Shares and the value of your investment may fall.
- 1.21** BCPE will appoint nominees to the Nido Board in proportion to its shareholding in Nido. BCPE may gain control over the Nido Board and, in this case, BCPE (through its representatives on the Nido Board) will control the decisions and the future direction of Nido to the extent permissible by law and the Listing Rules.
- 1.22** BCPE may assess the appropriateness of paying dividends to Nido Shareholders, and may be able to decide the timing and quantum of any future dividends.

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## If the Offer is successful and you accept, you will avoid future operating and project development risks

- 1.23** Nido's operations include both exploration and development activities, which activities require substantial resources, expertise and capital. Remaining as a shareholder in Nido will mean that you continue to be exposed to the following risks relating to its exploration and development projects:
- **geological and environmental risk** – there is potential for environmental contamination when engaging in oil projects. The geological risk is illustrated by the recent plug and abandonment of SC63 announced by Nido on 7 July 2014
  - **political and regulatory risk** – Nido has disclosed that current territorial litigation is on foot in relation to SC58, and noted in its second quarter report for 2014 that the final investment decision on West Linapacan A is subject to government approvals. There is a risk of approvals being affected by political upheavals and change in government
  - **joint venture risk** – there is a risk that Nido's joint venture partners could be unable to meet their commitments under the terms of the relevant agreements (including funding commitments)
  - **foreign exchange risk** – Nido does not hedge its foreign exchange position, which may cause substantial volatility in its reported earnings (a foreign exchange gain adjustment of about \$18.6m was a major contributor of net profit of about \$20.0m for 2013)
  - **general economic risk** – there is a risk that the price at which Nido is able to market and sell oil will be affected by factors affecting the economy, such as uncertainty in the Middle East
  - **equity market risk** – a risk affecting all ASX listed stocks, including oil and gas stocks. Adverse movements in the equity markets will negatively affect the ability to fund through the equity markets

## No brokerage charges payable

- 1.24** You will not incur any brokerage or stamp duty if you accept the Offer for your Nido Shares but your Broker, bank, custodian or other nominee may charge you transactional fees or services charges in connection with acceptance of the Offer.

## Recommendation

- 1.25** Nido's Directors have unanimously recommended that Nido Shareholders accept the Offer, in the absence of a Superior Proposal.
- 1.26** Each Nido Director who has a Relevant Interest in Nido Shares (which amounts to approximately 1.06% of Nido Shares in aggregate) has advised the Nido Board that they intend to accept the Offer in respect of those Nido Shares that they own or control, or any Nido Shares that they will own or control upon the vesting and exercise of any Nido Performance Rights which they own or control in the absence of a Superior Proposal.

## 2 SUMMARY OF THE OFFER

- 2.1** This Section provides a summary of the key features of the Offer but does not contain all of the information that you should consider before accepting the Offer. Section 9 contains the full terms and conditions of the Offer. You should read this Bidder's Statement (and Nido's Target's Statement when it is dispatched) in full before deciding whether or not to accept the Offer.

### What is the Offer?

- 2.2** BCPE is offering to buy all of your Nido Shares, by way of an off-market cash takeover offer.
- 2.3** **Your consideration is 5.5 cents cash for each Nido Share (Offer Price).** You may only **ACCEPT** the Offer for all of your Nido Shares.
- 2.4** The Offer also extends to Nido Shares issued before the end of the Offer Period and any Nido Shares issued on the conversion of, or the exercise of rights attached to, Nido Performance Rights before the end of the Offer Period.
- 2.5** For the full terms of the Offer see Section 9.

### Who is making the Offer?

- 2.6** The Offer is being made by BCPE, a wholly-owned subsidiary of Bangchak.

### Why should I accept the Offer?

- 2.7** The Offer represents a significant premium to recent trading levels (85% to 1 month VWAP to 22 July 2014) with full cash consideration.
- 2.8** The cash Offer gives you certainty and eliminates your exposure to risks associated with Nido which could affect the value of your Nido Shares.
- 2.9** The Offer allows you to sell your entire shareholding in a stock which has very low trading liquidity.
- 2.10** The Offer is subject to limited conditions including FIRB approval, no prescribed occurrences, no material adverse effect affecting Nido, cancellation of the Nido Right to Ordinary Shares for nil consideration and BCPE acquiring a Relevant Interest in at least 90% of the Nido Shares on issue as at the end of the Offer Period.
- 2.11** Nido's share price is likely to fall if the Offer does not succeed.
- 2.12** As at the date of this Bidder's Statement, no Superior Proposal or alternative offer has been made for Nido Shares.

- 2.13** BCPE is already Nido's largest shareholder with a 19.66% interest in Nido, and you may lose important legal protections under the Corporations Act if you do not accept.

### What do Nido's Directors recommend?

- 2.14** Nido's Directors have unanimously recommended that Nido Shareholders accept the Offer, in the absence of a Superior Proposal.

### What choices do I have as a Nido Shareholder?

- 2.15** As a Nido Shareholder, you have the following choices in respect of your Nido Shares:
- (a) accept the Offer for all of the Nido Shares you hold;
  - (b) sell some or all of your Nido Shares on ASX (unless you have previously accepted the Offer for your Nido Shares). If you sell some of your Nido Shares you can accept the Offer for the balance of your Nido Shares; or
  - (c) do nothing.

### Can I accept the Offer for part of my holding in Nido?

- 2.16** No. You may only accept the Offer for ALL of your Nido Shares.

### How to accept the Offer?

- 2.17** Depending on the nature of your Nido Shareholding, you may accept the Offer in the following ways before the end of the Offer Period:

#### Issuer Sponsored Shareholders

If there is an "I" next to your holder number on the Acceptance Form, your Nido Shares are held on Nido's issuer sponsored sub register.

To accept the Offer, you must complete and sign the Acceptance Form and return it to the address indicated on the form before the Offer closes.

<b>CHESS Shareholders</b>	<p>If there is an "X" next to your holder number on the Acceptance Form, your Nido Shares are in a CHESS Holding.</p> <p>To accept the Offer either:</p> <ul style="list-style-type: none"> <li>• instruct your broker to accept the Offer on your behalf; or</li> <li>• complete and sign the Acceptance Form and return it to the address indicated on the form,</li> </ul> <p>before the Offer closes.</p>
<b>Participants</b>	<p>If you are a Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the Offer closes.</p>

To validly accept the Offer for your Nido Shares, your acceptance must be received before 7.00pm (Sydney time) on 19 September 2014, unless the Offer Period is extended in accordance with the Corporations Act.

Full details on how to accept the Offer are set out in Sections 9.14 to 9.29.

## Delivery and mailing addresses

**2.18** Please use the reply paid envelope enclosed with this Bidder's Statement. Alternatively, the mailing address is:

### Postal address

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne VIC 3001  
Australia

## When you can accept the Offer?

**2.19** The Offer is now open. You may accept the Offer at any time during the Offer Period, which is scheduled to close at 7.00pm on 19 September 2014 (this period may be extended in accordance with the Corporations Act).

## When will I be paid?

**2.20** If you validly accept the Offer and the contract resulting from your acceptance becomes unconditional, BCPE will pay the Offer Price to you on or before the earlier of:

- one month after the date of your acceptance, or if the Offer is subject to a Condition when you accept it, within one month of the Offer becoming unconditional (whichever is the later); and
- 21 days after the end of the Offer Period.

## What are the Offer Conditions?

**2.21** Conditions of the Offer are set out in full in Schedule 1. In summary, the key Conditions of the Offer include:

- BCPE acquiring a Relevant Interest in at least 90% of the Nido Shares on issue as at the end of the Offer Period;
- receipt of approval from the Foreign Investment Review Board;
- no material adverse change occurs in relation to Nido before the end of the Offer Period;
- no Prescribed Occurrences occur between the Announcement Date and the end of the Offer Period; and
- cancellation of the Nido Right to Ordinary Shares for nil consideration before the end of the Offer Period.

## What happens if the Conditions are not satisfied or waived?

**2.22** If the Conditions to the Offer are not satisfied or waived by the Closing Date, the Offer will lapse. In this case, even if you have accepted the Offer, your Nido Shares will not be acquired by BCPE and you will not be paid the Offer Price.

## What is the status of Conditions?

**2.23** The date for giving the notice on the status of the Conditions required by Section 630(3) of the Corporations Act is 11 September 2014 (subject to extension in accordance with Section 630(2) of the Corporations Act if the Offer Period is extended).

## Who is BCPE?

- 2.24** BCPE is a wholly-owned subsidiary of Bangchak and was incorporated in Singapore on 30 July 2014.

## Who is Bangchak?

- 2.25** Bangchak is a leading Thai processing and distribution petroleum company. Bangchak listed on the Stock Exchange of Thailand (SET) in August 1994. As at 28 July 2014, Bangchak's market capitalisation was Baht 40,619 million: A\$1,357 million. Bangchak is headquartered in Bangkok, Thailand.

## Can I withdraw my acceptance to the Offer?

- 2.26** Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.

## Can the Offer period be extended?

- 2.27** The Offer can be extended at BCPE's election or otherwise in accordance with the Corporations Act.

## What happens if I do not accept the Offer?

- 2.28** You will remain a Nido shareholder and will not be paid any cash consideration for your Nido Shares.
- 2.29** If you do not accept the Offer and BCPE becomes entitled to acquire your Nido Shares under the compulsory acquisition provisions of the Corporations Act, BCPE intends to acquire your Nido Shares. In that case, you will have to claim the consideration from Nido and be paid the Offer Price in respect of each of your Nido Shares later than Nido Shareholders who accept the Offer. Section 8 contains a more detailed description of the compulsory acquisition provisions in relation to the Offer.

## Can I be forced to sell my Nido Shares?

- 2.30** Only if BCPE becomes entitled to proceed to compulsory acquisition under the Corporations Act.

## When does BCPE become entitled to proceed to compulsory acquisition?

- 2.31** If BCPE and its Associates at the end of the Offer Period have:
- (a) a Relevant Interest in at least 90% (by number) of Nido Shares; and
  - (b) acquired at least 75% (by number) of the Nido Shares under the Offer.

## What are the tax consequences of the Offer?

- 2.32** Section 7 includes a general outline of the Australian tax consequences that may apply for certain Nido Shareholders. Your own personal circumstances may affect your own individual taxation position. Accordingly, you should consult your own financial and taxation advisers regarding the tax consequences of accepting the Offer to take into account your own particular circumstances.

## Will I pay brokerage or stamp duty under the Offer?

- 2.33** No, but your Broker, bank, custodian or other nominee may charge you transactional fees or services charges in connection with acceptance of the Offer.

## What happens if the Nido Board declares a dividend during the Offer Period?

- 2.34** If you both accept the Offer and receive the dividend, you will be entitled to retain the amount of the dividend paid by Nido and the Offer Price of 5.5 cents will be reduced by the amount per Nido Share of any dividend paid by Nido.

## What is this Bidder's Statement?

- 2.35** This Bidder's Statement was prepared by BCPE for distribution to Nido Shareholders. It sets out the terms of the Offer, information relating to the Offer and the Offer Price you will receive if BCPE acquires your Nido Shares under the Offer.

## What is the Target's Statement?

- 2.36** Nido's Target's Statement will be prepared by Nido for distribution to Nido Shareholders. It will set out Nido's response to BCPE's Offer, including the reasons for the recommendation of Nido's Directors.

## Where can I get further information?

- 2.37** If you have any questions in relation to the Offer or how to accept, you should call 1300 856 028 (toll free for callers within Australia) or +612 8022 7909 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time) or go to [www.nidooffer.com.au](http://www.nidooffer.com.au).



# 3 INFORMATION ABOUT BANGCHAK

## Overview of BCPE

**3.1** BCPE is a wholly-owned subsidiary of Bangchak and was incorporated in Singapore on 30 July 2014 for the purpose of Bangchak's overseas investment, trading, operation and management of the energy, natural resources and petrochemical businesses. Other than entering into the Share Sale Agreement and the Bid Implementation Deed, BCPE has not undertaken any other business activities. BCPE may undertake other business activities in the future unrelated to the acquisition of Nido. BCPE currently holds 402,951,875 Nido Shares (which equates to an interest of approximately 19.66% in Nido).

**3.2** Section 5 sets out full details of the funding arrangements for the consideration for the Offer.

## Overview of Bangchak

**3.3** Bangchak is a leading Thai processing and distribution petroleum company. Bangchak listed on the Stock Exchange of Thailand (SET) in August 1994. As at 28 July 2014, Bangchak's market capitalisation was Baht 40,619 million: A\$1,357 million. Bangchak is headquartered in Bangkok, Thailand.

**3.4** For the year ended 31 December 2013, Bangchak, generated total sales and service revenue of Baht 186,514 million: A\$6,217 million and total gross

profit of Baht 9,041 million: A\$301 million. As at 31 December 2013, Bangchak had total assets of Baht 72,389 million: A\$2,413 million and total shareholders equity of Baht 34,981 million: A\$1,166 million.

## History of Bangchak

**3.5** Bangchak was established in 1984 by the Cabinet of Prime Minister Maj.Gen. Prem Tinsulanon in Thailand to operate an oil refinery in the Bangchak area of Bangkok that had previously been established by the Ministry of Defence. Bangchak was assigned the duty of maintaining energy security for the benefit of the Thai public.

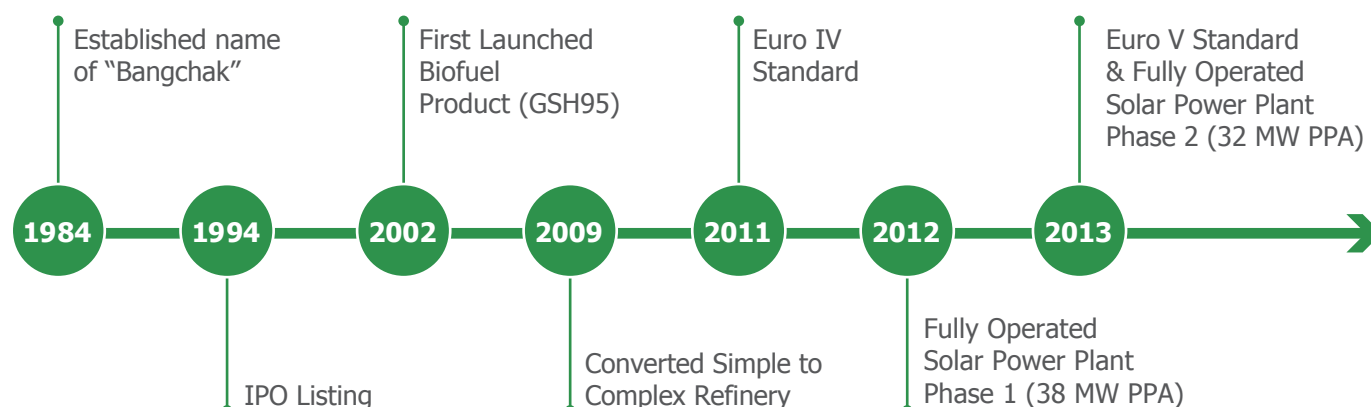
## Key operations and business

**3.6** Bangchak, together with its Subsidiaries, is engaged in the refinery business, marketing and selling of petroleum products in Thailand through its extensive network of service stations. It also carries on a renewable energy business through its biodiesel and solar plants.

**3.7** Bangchak has three business units: refinery, marketing and electricity/renewable energy. Bangchak imports crude oil from the Middle East and the Far East, and also has domestic sources in Thailand, which it refines into products. Bangchak then sells its finished oil products through its network of over 1,000 service stations

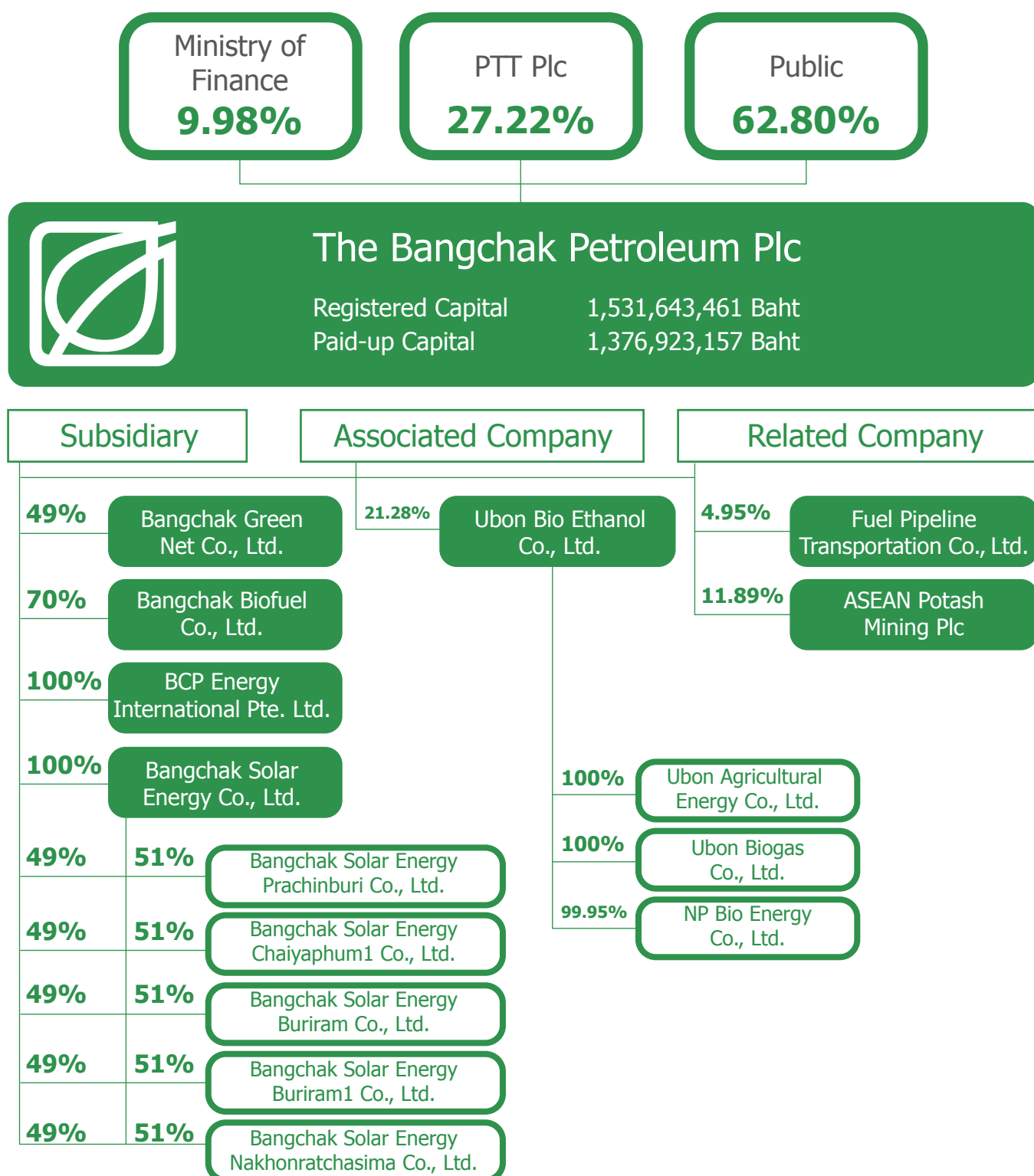


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throughout Thailand and its direct sales channel to large and medium-scale oil consumers, including industrial plants, airlines, automobile companies, ocean liners and construction businesses.

#### Equity chart of Bangchak and other companies





## Refining business

- 3.8** Bangchak's refining operations account for approximately 59% of its business.
- 3.9** Bangchak's refinery produces high-value gasoline and diesel products which are sold directly to other oil traders and directly to consumers through its own nationwide network of service stations.
- 3.10** As at 31 December 2013, Bangchak's retail network consisted of 457 standard service stations and 617 community service stations, with direct distribution to users in the transportation, aviation, shipping, construction, industrial and agricultural sectors. Bangchak service stations focus on selling green alternative fuels, and serve customers with supplementary businesses on their compounds. These businesses include the sale of consumer products at Bai Chak and Lemon Green shops, and cooperation with Big C Supercenter Plc in launching Mini-Big C convenience stores at larger service stations located close to communities, with a variety of goods.
- 3.11** In addition to fuel products, Bangchak produces and sells "Bangchak" lubricants oil and special lubricant products (such as transmission fluid, brake fluid and grease).

## Marketing business

- 3.12** Bangchak's marketing business accounts for approximately 23% of its business.
- 3.13** Bangchak Green Net Co., Ltd. is a subsidiary of Bangchak which was set up to manage service stations and "Inthanin" coffee shops, and sell consumer products in Lemon Green and Bai Chak convenience stores.

## Renewable energy business

- 3.14** Bangchak's renewable energy business accounts for approximately 18% of its business.

### Biodiesel Business

- 3.15** In 2009, Bangchak invested in a biodiesel plant on its property in Bang Pa-in. Bangchak Biofuel Co., Ltd. was set up to operate the biodiesel plant in support of the public policy on alternative-energy promotion while generating income for farmers.

## Solar Power Business

- 3.16** Sunny Bangchak, Bangchak's solar power learning centre, entered a 118-MW power purchase agreement with the Electricity Generating Authority of Thailand and Provincial Electricity Authority. Bangchak Solar Energy Co., Ltd., was founded to manage and operate solar power generation.

## Ethanol business

- 3.17** Bangchak acquired a 21.28% interest in Ubon Bio Ethanol Co., Ltd. Its ethanol plant produces ethanol from fresh cassava, cassava chips, and molasses. The plant began commercial production in January 2013.

## Board of directors

- 3.18** Bangchak's Board is set out below:

- Mr. Pichai Chunhavajira, Chairman;
- Mr. Chai-anan Samudavanijavice, Vice Chairman and Independent Director;
- Mr. Vichien Usanachote, President;
- Mr. Krairit Nilkuha, Director;
- Mr. Prasong Poontaneat, Director;
- Mr. Sarakorn Kulatham, Director;
- Mr. Chaiwat Kovavisarach, Director;
- Mr. Vikrom Koompirochana, Director;
- Mr. Supattanapong Punmeechaow, Director;
- Mr. Anusorn Tamajai, Independent Director and Chairman of Audit Committee;
- Mr. Surin Chiravisit, Independent Director;
- Gen. Dapong Ratanasuwan, Independent Director;
- Mr. Suthep Wongvorazathe, Independent Director and member of Audit Committee;
- Mrs. Arunporn Limskul, Independent Director and member of Audit Committee; and
- Pol.Lt.Gen. Chaiwat Chotima, Independent Director.

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## Management

**3.19** Bangchak's senior management is set out below:

- Mr. Vichien Usanachote, President;
- Mr. Wattana Opanon-amata, First Senior Executive Vice President, Refinery Business;
- Mr. Yodphot Wongrukmit, Senior Executive Vice President, Corporate Administration and Information Technology;
- Mr. Bundit Sapianchai, Senior Executive Vice President, Renewable Energy Business;
- Mr. Surachai Kositsareewong, Senior Executive Vice President, Accounting and Finance;
- Mr. Pongchai Chaichirawiwat, Senior Executive Vice President, Marketing Business;
- Mr. Kiatchai Maitriwong, Acting Senior Petroleum Refining Executive, Refinery Business;
- Mr. Somchai Tejavaniya, Executive Vice President, Business Development and Strategy;
- Mr. Chalermchai Udomranu, Executive Vice President, Refinery Business;
- Dr. Kitti Nivatvongs, Senior Vice President, Refinery Technique, Refinery Business;
- Mr. Pichit Wongrujiravanich, Senior Vice President, Internal Control Office;
- Mr. Dhanajit Makarananda, Senior Vice President, Refinery Technique, Refinery Business;
- Mr. Phichet Emwattana, Senior Vice President, Planning and Logistics, Refinery Business; and
- Mr. Chokchai Atsawarangsalit, Senior Vice President, Business Development, Corporate Business Development.

## Further information on Bangchak

**3.20** Further information on Bangchak can be found at Bangchak's website at [www.bangchak.co.th/en](http://www.bangchak.co.th/en). However, no information on that website is incorporated by reference into this Bidder's Statement.

# 4 INFORMATION ABOUT NIDO

## Introduction

- 4.1** This Section provides an overview of Nido, its principal activities and recent history. Nido is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on Nido may also be obtained from Nido's website at [www.nido.com.au](http://www.nido.com.au) and ASX website [www.asx.com.au](http://www.asx.com.au).
- 4.2** The information on Nido in this Bidder's Statement has been prepared by BCPE using publicly available information and has not been independently verified. To the extent permitted by law, BCPE does not make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on Nido in this Bidder's Statement should not be considered to be comprehensive. Further information in relation to the business of Nido will be included in Nido's Target's Statement.

## Overview of Nido and its business

- 4.3** Nido was incorporated in Western Australia in May 1999 and listed on the ASX in July 1999.
- 4.4** Nido is an oil and gas exploration and production company, with operations in the Philippines and Indonesia. Nido is headquartered in Perth, Western Australia and has a fully staffed office in Manila, Philippines.
- 4.5** Nido's assets comprise a mix of producing assets, development opportunities and exploration prospects.
- 4.6** Nido holds a considerable position in the North West Palawan Basin in the Philippines with interests in service contracts that have a gross acreage position of 2,944,000 hectares. The North West Palawan Basin is highly prospective for oil and gas exploration and has a history of commercial discoveries.
- 4.7** Nido has also entered into three production sharing contracts in the Penyu and West Natuna Basins in Indonesia.

## Key operations and assets

### Production

- 4.8** Nido's has interests in the following producing assets:
- (a) the Galoc Oil Field (a 22.88% interest);
  - (b) Nido A and B Fields (a 22.49% interest); and
  - (c) Matinloc Field (a 28.28% interest).

### Development

- 4.9** The West Linapacan 'A' oil field located in the North West Palawan Basin is being considered as a potential re-development project by the SC 142C2 Joint Venture (in which Nido is a participant) using modern horizontal drilling and completion technology.
- 4.10** Nido is also developing Galoc Phase II, which aims to extend the strong existing performance of both the Galoc Field, and the West Linapacan A and B Oil Fields.

### Exploration and appraisal

#### Philippines

- 4.11** Nido has one of the largest acreage positions in the Philippine oil and gas sector. All of Nido's exploration assets are located in the offshore North West Palawan Basin. Nido is currently undertaking exploration activities in SC 54 Block A and SC 54 Block B, SC 58 and SC 63.
- 4.12** Much of the North West Palawan Basin remains underexplored despite the numerous oil and gas discoveries made in the shallow water areas of that basin, including Nido's oil discoveries in SC 54A and the single giant Malampaya gas field in SC 38, operated by Shell Philippines Exploration.

#### Indonesia

- 4.13** In June 2013, Nido farmed into three Indonesian PSCs operated by Lundin Petroleum. The Baronang and Cakalang PSC are located over the West Natuna Basin and the Gurita PSC over the less explored Penyu Graben located at the southern end of the Malay Basin.
- 4.14** As of June 2014, Nido holds an interest in Baronand PSC, Cakalang PSC and Gurita PSC at 15%, 10% and 10% respectively. Nido has the right to increase its participating interest up to 20% in each PSC ahead of the drilling of the wells.

## Financial overview

**4.15** For details of Nido's financial status, please refer to Nido's Half Yearly Report for the half year ended 30 June 2014 and Nido's 2013 Annual Report for the financial year ended 31 December 2013 which are available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) or on Nido's website ([www.nido.com](http://www.nido.com)).

## Board of directors

**4.16** As at the date of this Bidder's Statement, Nido's Board is comprised of:

- William Bloking;
- Phil Byrne;
- Eduardo V. Mañalac;
- Andrew Edwards; and
- Michael Ollis.

## Management

**4.17** As at the date of this Bidder's Statement, Nido's senior management team included:

- Ashley Gilbert – Chief Financial Officer;
- Jon Pattillo – Head of Exploration; and
- John Newman – General Counsel and Company Secretary.

## Nido Shares on issue

**4.18** According to documents provided by Nido to ASX, as at the date of this Bidder's Statement, there are 2,049,984,302 Nido Shares on issue. Nido Shares are quoted on ASX.

**4.19** In addition, there are:

- (a) 138,282,166 Nido Performance Rights; and
- (b) 1,666,665 Nido Rights to Ordinary Shares.

## Substantial shareholders

**4.20** As at the date of this Bidder's Statement, the following entity had notified Nido of current substantial shareholdings in Nido:

Shareholder	Number of Nido Shares held	%
Petroleum International Investment Corporation	402,951,875	19.66

## Recent Nido Share prices

**4.21** The last recorded sale price of Nido Shares on ASX as at close of trading on ASX on 22 July 2014, the last unaffected trading day prior to receipt of an ASX price query was 3.1 cents. The highest recorded close price of Nido Shares on ASX in the 1 month prior to 22 July 2014 was 3.5 cents and the lowest recorded close price of Nido Shares on ASX in the 1 month prior to 22 July 2014 was 2.9 cents.

## Dividends

**4.22** Nido has not paid any dividends in the last two financial years.

# 5 FUNDING

## Total cash consideration

- 5.1** BCPE's offer is a 100% cash offer and the Offer Price is 5.5 cents per Nido Share.
- 5.2** The maximum amount of cash that BCPE would be required to pay under the Offer for all Nido Shares on issue (excluding the 402,951,875 shares in which BCPE already has a Relevant Interest) as at 1 August 2014, being 1,647,032,427 Nido Shares, is approximately \$90.6 million.
- 5.3** Further Nido Shares may be issued on the exercise of Nido Performance Rights and Nido Right to Ordinary Shares. The Employee Performance Rights Plan, which sets out the terms of the Nido Performance Rights, provides for the accelerated vesting and deemed exercise of all Nido Performance Rights in the event that a takeover bid is made to Nido Shareholders. The Nido Board has an obligation under the Employee Performance Rights Plan to promptly issue Nido Shares to the holders of the Nido Performance Rights following deemed exercise. If the Nido Board issues Nido Shares on the exercise of all Nido Performance Rights which are on issue as at 1 August 2014, being 138,282,166 Nido Performance Rights prior to the end of the Offer Period, there would be 2,188,266,468 Nido Shares on issue and the maximum amount of cash that BCPE would be required to pay under the Offer for all Nido Shares (excluding the 402,951,875 Shares in which BCPE already has a Relevant Interest) on issue would be approximately \$98.2 million.

## Source of funding

- 5.4** BCPE will fund the cash payable under the Offer using funds provided to it by Bangchak in the form of equity.
- 5.5** Bangchak has entered into an Equity Commitment Letter with BCPE under which it has agreed to provide all required funding to BCPE for the purposes of paying the consideration under the Offer immediately upon request. Under the Equity Commitment Letter, Bangchak has confirmed that:
- (a) it has sufficient funds available to fund the Offer even if there are adverse exchange rate movements in the exchange rate of Thai Baht to Australian dollars; and
  - (b) the funds it will make available to BCPE are not required for other Bangchak group operations.

- 5.6** The funds to be provided by Bangchak to BCPE under the arrangements described in Section 5.4 will be sourced from Bangchak's existing cash reserves. At the date of this Bidder's Statement, Bangchak has cash reserves and credit line in excess of \$500 million with several investment grade financial institutions which is available to fund the cash payable by BCPE under the Offer. The funds that BCPE will require to satisfy its obligations to pay the Offer consideration are not required for other operations or commitments of Bangchak or its subsidiaries.

## Sufficiency of funding

- 5.7** Having regard to the matters set out above in this Section 5.6, BCPE is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of Nido Shares pursuant to the Offer and to satisfy its obligations under the Offer.
- 5.8** The funding to be provided to Bangchak to BCPE in respect of the Offer is unconditional.

# 6 BCPE'S INTENTIONS FOR THE BUSINESS, ASSETS AND EMPLOYEES OF NIDO

## Approach

- 6.1** This Section 6 sets out BCPE's intentions in relation to:
- (a) the continuation of the business of Nido;
  - (b) any major changes to be made to the business of Nido, including any redeployment of the fixed assets of Nido;
  - (c) the future employment of the present employees of Nido;
  - (d) the future of the Nido Board; and
  - (e) the compulsory acquisition of Nido Shares and the delisting of Nido.
- 6.2** BCPE's intentions have been formed on the basis of facts and information publicly available to BCPE concerning Nido as at the date of this Bidder's Statement.
- 6.3** BCPE does not currently have sufficient information on the business or operations of Nido to allow it to make any final decisions on the matters discussed in this Section 6. Final decisions on these matters will only be reached in the light of all material facts and circumstances (including the commercial, operational, financial and taxation implications of any decision) at the relevant time. Accordingly, the statements set out in this Section 6 are statements of BCPE's current intentions only which may change as new information becomes available or as circumstances require.
- 6.4** Some of the intentions noted in this Section 6 contemplate future synergy and cost-saving benefits to BCPE that are not currently available to Nido Shareholders. The exact extent and timing of these benefits is currently uncertain and the ability of Nido to capture any benefits will depend on, among other things, the results of the strategic review detailed below and whether or not BCPE is able to acquire 100% of the Nido Shares. Acquiring less than 100% of the Nido Shares will reduce these benefits, and some of the benefits may not be realisable at all if BCPE does not acquire 100% of the Nido Shares, which in each case will affect both Nido and Nido's minority shareholders. Any attempt to quantify these benefits at this time would be speculative.

## Rationale for the Offer

- 6.5** The proposed acquisition of Nido is consistent with Bangchak's long term growth strategy, which is to complement the refinery component of its operations with producing assets in the Asian region. The potential benefits of an upstream supply chain acquisition have long been recognised by Bangchak and its management team.
- 6.6** Given the opportunity for Bangchak to diversify its earnings base and potentially realise synergy benefits from its existing assets, brand and networks, achieving full ownership of Nido is a logical step in its upstream acquisition strategy. As a wholly-owned entity, Nido will be able to maximise the benefits realised from economies of scale and cross-pollination of business operations available to a leading pan-Asian production, exploration and refining company.

## Intentions upon becoming entitled to compulsorily acquire Nido Shares

- 6.7** Set out below are BCPE's intentions if BCPE becomes entitled to compulsorily acquire all outstanding Nido Shares after the Offer.

## Compulsory acquisition

- 6.8** If BCPE becomes entitled to compulsorily acquire all outstanding Nido Shares, then it intends to exercise its rights of compulsory acquisition in respect of:
- (a) Nido Shares; and
  - (b) all Nido Shares issued on the exercise of Nido Performance Rights,
- in accordance with the Corporations Act.

## Operational and strategic review

- 6.9** BCPE intends to proceed with a detailed review of Nido's assets, strategy and operations in the light of the more detailed information then available to it. The review will pay particular attention to:
- (a) areas where BCPE can add value to Nido;
  - (b) integration of management operating systems and platforms, administrative procedures, systems and reporting lines, the intention being to bring these into line with BCPE's standards and practices and to optimise operating costs;



- (c) review of management and operations, including a review of head office locations;
- (d) potential synergies and cost savings, including overheads, insurances, professional advisory fees and other synergistic operational costs;
- (e) Nido's current financing arrangements and future funding requirements to determine the optimal capital structure. Nido's need for additional capital, either in the form of debt or equity will be assessed, including BCPE's ability to provide Nido with such capital;
- (f) Nido's asset portfolio and other business interests with the view to expedite development opportunities;
- (g) external commercial relationships with service providers and joint venture partners and customers' commitment; and
- (h) any legal proceedings involving Nido or any of its Subsidiaries which are on foot.

### Business integration

**6.10** Depending on the outcome of its strategic review of Nido, BCPE may seek to integrate the operations of Nido with those of Bangchak so as to realise all potential synergistic benefits. These benefits include: benefits from systems, processes, scale and knowledge which may allow both purchasing power benefits and leverage of Bangchak's brand, marketing channels and Asian reach. More specifically, Bangchak may achieve sourcing benefits through lower supplier and contractor costs, marketing channel benefits, supply chain and logistics benefits and reduced cost of doing business through amalgamation of service functions.

**6.11** The combined group may also be able to access and benefit from a common IT platform across financial, merchandise, customer relationship management including centralisation of certain of Nido's corporate head office functions, e.g. secretarial, financial management and information technology functions. Other similar functions within BCPE and Nido will be reviewed and either totally merged where appropriate or continue to operate under current arrangements. In addition, some functions of Nido's head office may no longer be necessary if Nido is removed from the ASX following the conclusion of the Offer.

### Board composition

**6.12** BCPE intends to replace all the members of the Nido Board and the members of the boards of Nido's Subsidiaries with nominees of BCPE. Replacement board members have not yet been identified by BCPE and their identity will depend on the circumstances at the relevant time.

### Impact on management and employees

**6.13** It is BCPE's intention to retain the management personnel of Nido in roles appropriate to their skills, expertise, performance and strategic fit.

**6.14** The implementation of the strategic review and its findings detailed above may lead to some staff rationalisation across Nido. The nature, extent and timing of such job changes cannot be predicted in advance and will depend on the outcome of the strategic review of Nido and the corresponding broader review of Bangchak's Asian operations.

**6.15** Otherwise, BCPE's general intention is to retain all Nido employees post completion of the Offer.

### Senior management terms of employment

**6.16** It is intended that the terms of employment of the members of the senior management team who remain with Nido after completion of the Offer will remain substantially the same as their existing employment terms.

### Delisting

**6.17** BCPE intends to arrange for Nido to be removed from the official list of ASX.

### Intentions for Nido as a partly owned subsidiary

**6.18** Set out below are BCPE's intentions if BCPE does not become entitled to compulsorily acquire all outstanding Nido Shares and, consequently, Nido is a controlled entity of BCPE but only partly owned by BCPE.

**6.19** BCPE would only make a decision on any of the courses of action described below after it receives legal and financial advice and its intentions must be read as subject to:

- (a) the fiduciary and statutory duties of Nido's Directors, including the duty of Nido's Directors to have regard to the interests of Nido as a whole;



- (b) the Corporations Act and Listing Rules, including in relation to related party transactions and conflicts of interest. These requirements may, in some circumstances, require the approval of Nido's minority shareholders in order to implement a particular transaction; and
- (c) the outcome of the operational and strategic review described in Section 6.9.

**6.20** The matters described in paragraphs (a) and (b) above of Section 6.19 may prevent a stated intention of BCPE being achieved.

**6.21** The Offer is conditional upon BCPE obtaining a Relevant Interest in at least 90% (by number) of the Nido Shares on issue as at the end of the Offer Period. While BCPE has no current intention to waive this condition, it is open to BCPE to do so at its discretion, in accordance with the Corporations Act. Should BCPE waive the 90% acceptance condition, BCPE may nevertheless gain sufficient acceptances to be able to consolidate Nido within BCPE for financial reporting purposes. This could only occur if BCPE considered itself to have control of sufficient Nido Shares to exercise control over the management and operations of Nido.

### **Operational and strategic review**

**6.22** Should BCPE acquire control of Nido, BCPE intends to undertake the detailed review of Nido's assets, strategy and operations as outlined above in Section 6.9. However, as a result of Nido not being a wholly-owned subsidiary of BCPE, BCPE's ability to implement changes to Nido's operations will be limited and it is unlikely that the full potential benefits will be realised.

### **ASX listing**

**6.23** BCPE may, in some circumstances, where illiquidity and the Listing Rules permit, seek to remove Nido's listing on ASX.

**6.24** If Nido continues to be listed on ASX, Nido Shareholders who do not accept the Offer should be aware that the liquidity of Nido Shares may be materially diminished given the reduced free float of Nido Shares.

### **Board composition**

**6.25** BCPE intends, subject to the Corporations Act and Nido's constitution, to appoint its nominees to the Nido Board in such proportion as reflects its

shareholding in Nido but in all circumstances, constituting a majority of the Nido Board. BCPE would seek to achieve this by making additional appointments to the Nido Board and/or replacing existing Nido Directors with its nominees. Candidates to be appointed or replaced in this way have not yet been identified by BCPE and their identity will depend on circumstances at the relevant time.

**6.26** Nido's Board will continue to have at least three independent directors while Nido remains listed on ASX.

### **Intentions for management and employees**

**6.27** It is BCPE's intention to retain the management personnel of Nido in roles appropriate to their skills, expertise, performance and strategic fit.

**6.28** BCPE intends to continue the employment of Nido's present employees in accordance with their current terms of employment, assuming those terms of employment are standard and commercially reasonable.

### **Dividend policy**

**6.29** BCPE will review the dividend policy of Nido having regard to any capital funding and ongoing operational requirements of Nido on the one hand and the appropriateness of paying dividends to shareholders on the other.

### **Compulsory acquisition**

**6.30** If BCPE becomes entitled at some future time to exercise general compulsory acquisition rights under the Corporations Act, it will exercise those rights.

### **Business, assets and employees**

**6.31** Except for the changes and intentions set out in this Bidder's Statement (including this Section 6), it is the present intention of BCPE (based on the information presently available to it) to:

- (a) continue the business of Nido in substantially the same manner as it is presently being conducted;
- (b) not make any major changes to the business of Nido (including the redeployment of the fixed assets of Nido); and
- (c) continue the employment of Nido's present employees in accordance with their current terms.

# 7 AUSTRALIAN TAX CONSIDERATIONS

## Introduction

**7.1** The following is a general outline of the Australian tax consequences that may apply for certain Nido Shareholders who dispose of their Nido Shares by accepting the Offer.

**7.2** It does not take into account the specific circumstances of any particular Nido Shareholder. Accordingly, Nido Shareholders should not rely on this general outline in deciding whether or not to accept the Offer. Nido Shareholders should consult their own independent tax adviser regarding the tax consequences of accepting the Offer to take into account their particular circumstances.

**7.3** This outline reflects the Australian tax law and practice as at the date of this Bidder's Statement. This general outline does not take into account or anticipate changes in the law after the date of this Bidder's Statement, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

**7.4** This general outline does not apply to all Nido Shareholders. For example, it does not apply to Nido Shareholders that:

- (a) hold their Nido Shares on revenue account (for example, as trading stock, in the course of carrying on a business or for the purposes of re-sale at a profit);
- (b) are exempt from Australian tax;
- (c) are subject to the application of the taxation of financial arrangements rules included in Division 230 of the Tax Law;
- (d) acquired their Nido Shares under an employee share or option scheme or otherwise acquired their Nido Shares in respect of employment or services provided by them;

(e) obtained rollover relief in connection with acquiring their Nido Shares;

(f) acquired their Nido Shares by exercising an option (including by the exercise of any Nido Performance Rights);

(g) hold, or have held, their Nido Shares through a permanent establishment outside their country of tax residence;

(h) are, or have been, temporary residents of Australia for the purposes of the Tax Law;

(i) have not been resident in the same country for tax purposes throughout the period they have owned their Nido Shares; or

(j) have their Nido Shares compulsorily acquired under Part 6A.1 of the Corporations Act.

**7.5** If a Nido Shareholder is a trustee, this outline also does not consider the tax consequences for the underlying beneficiaries.

**7.6** Such Nido Shareholders should consult their own independent tax adviser regarding the tax consequences of accepting the Offer to take into account their particular circumstances.

**7.7** The tax consequences for a Nido Shareholder disposing of their Nido Shares may depend, in part, upon whether they are an individual or an entity (e.g. a company, the trustee of a trust or a complying superannuation fund). Unless otherwise indicated, this outline applies to Nido Shareholders who are individuals.

**7.8** Nido Shareholders that are not residents of Australia for the purposes of the Tax Law should seek their own independent professional advice regarding the tax consequences under the laws of their country of residence, as well as under Australian law, in relation to the Offer.

## Capital gain or loss on disposal

- 7.9** Outlined below is a guide to calculating the capital gain or capital loss on the disposal of Nido Shares by accepting the Offer. Foreign Nido Shareholders should only refer to the section entitled “Foreign Nido Shareholders”.

Guide for calculating the capital gain or loss on the disposal of Nido Shares	
<b>CGT event</b>	<p>The disposal of a Nido Share by a Nido Shareholder by accepting the Offer will give rise to a CGT event. The time of the CGT event should be the later of the time:</p> <ul style="list-style-type: none"> <li>• FIRB Condition is fulfilled; or</li> <li>• the Nido Shareholder accepts the Offer.</li> </ul>
<b>Capital gain</b>	If the capital proceeds received by a Nido Shareholder from the disposal of a Nido Share exceeds the share’s cost base, a capital gain may arise.
<b>Capital loss</b>	<p>If the capital proceeds received by a Nido Shareholder from the disposal of a Nido Share is less than the share’s reduced cost base, a capital loss may arise.</p> <p>A capital loss may be used to offset a capital gain made in the same income year, and a net capital loss (see section below entitled “Amounts included in assessable income”) may be carried forward to offset future capital gains. However, a capital loss cannot be used to reduce the other assessable income of a Nido Shareholder.</p>
<b>Pre-CGT shares</b>	If a Nido Shareholder acquired a Nido Share before 20 September 1985, a capital gain or capital loss that the Nido Shareholder makes may be disregarded.
<b>Capital proceeds</b>	The capital proceeds for a Nido Share should equal the Offer Price.
<b>Cost base or reduced cost base</b>	<p>The cost base of a Nido Shareholder’s Nido Share should generally include the cost of acquisition plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty, and certain other costs such as professional advisers’ fees, to the extent not otherwise deductible).</p> <p>If a Nido Shareholder acquired a Share at or before 11.45am on 21 September 1999, it may be possible to index expenditure incurred at or before that time in working out the cost base (but not the reduced cost base). The CGT discount will not be available if a Nido Shareholder uses a cost base that has been calculated with reference to indexation.</p> <p>Certain amounts are excluded from, or may reduce, the “reduced cost base” for the purposes of calculating a capital loss.</p>
<b>Amounts included in assessable income</b>	<p>Capital gains and capital losses of a taxpayer from all sources are aggregated each income year, together with any available unapplied net capital loss from prior years, to determine if the taxpayer made a net capital gain or a net capital loss.</p> <p>Any net capital gain for the income year is included in assessable income.</p> <p>Net capital losses may not be deducted against other assessable income for income tax purposes, but may be carried forward to offset against capital gains derived in future income years. Specific loss rules apply to Nido Shareholders that are companies and trusts. These rules may, among other things, limit the ability to offset or obtain capital losses in a current or future income year. These loss rules are complex. Companies and trustees should seek their own independent professional advice as to how these rules apply to them and their beneficiaries, having regard to their own particular circumstances.</p>

## Guide for calculating the capital gain or loss on the disposal of Nido Shares

<b>CGT discount</b>	<p>The CGT discount may apply to a Nido Shareholder's net capital gain. A Nido Shareholder may be eligible to apply the CGT discount to their net capital gain to the extent that, broadly speaking:</p> <ul style="list-style-type: none"> <li>• the net capital gain (after first offsetting any available capital losses) includes a capital gain from the disposal of a Nido Share they acquired (for the purposes of the Tax Law) at least 12 months (excluding the date of acquisition and the date of the CGT event) prior to the time of the CGT event (for the purposes of the Tax Law);</li> <li>• they are an individual, a trust, or a complying superannuation entity; and</li> <li>• if they acquired a Nido Share on or before 11.45 am on 21 September 1999, they did not use a cost base that has been calculated with reference to indexation.</li> </ul> <p>Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain may be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33<sup>1</sup>/<sub>3</sub>%.</p> <p>The CGT discount is not available to a company.</p>
<b>Foreign Nido Shareholders</b>	<p>Foreign Nido Shareholders may disregard the whole of the capital gain or capital loss they make on the disposal of a Nido Share if, broadly:</p> <ul style="list-style-type: none"> <li>• they are not a resident of Australia for the purposes of the Tax Law and have not at any time used the Nido Share in carrying on business through an Australian permanent establishment; and</li> <li>• they (together with any associates for the purposes of the Tax Law) do not hold 10% or more of Nido Shares at the time they dispose (for the purposes of the Tax Law) their Nido Shares, and have not held 10% or more of Nido Shares throughout a 12 month period during the 24 months preceding the disposal of their Nido Shares.</li> </ul> <p>Foreign Nido Shareholders that have held 10% or more of Nido Shares, either alone or together with their associates (for the purposes of the Tax Law), should obtain specific advice on the application of the Australian CGT rules to any gain or loss that arises on disposal.</p> <p>Foreign Nido Shareholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the disposal of their Nido Shares.</p>

## Stamp duty

- 7.10** No stamp duty will be payable by any Nido Shareholder on the disposal of Nido Shares to BCPE. BCPE, as the transferee/acquirer of those Nido Shares, will be the party who will be liable for any stamp duty that is payable in respect of the Offer.

## GST

- 7.11** A Nido Shareholder will not be liable to pay GST on the consideration received in respect of a disposal of their Nido Shares.

# 8 ADDITIONAL INFORMATION

## Conditions

- 8.1** As at the date of this Bidder's Statement, BCPE is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions in Schedule 1.

## Share Sale Agreement with Petroleum International

- 8.2** On 30 July 2014, BCPE and Petroleum International entered into a Share Sale Agreement pursuant to which BCPE agreed to purchase from Petroleum International 402,951,875 Nido Shares (which equates to a Relevant Interest in Nido of 19.66%) conditional on BCPE obtaining foreign investment approval from the Treasurer.
- 8.3** The consideration payable by BCPE to Petroleum International is 5.5 cents per Nido Share, which equates to an aggregate amount of A\$22,162,353.13.

## Bid Implementation Deed

- 8.4** BCPE and Nido entered into a Bid Implementation Deed in respect of the Offer on 4 August 2014 (**Bid Implementation Deed**). The summary below does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of BCP and Nido under the Bid Implementation Deed. The key terms are set out below.

## Offer

- 8.5** Nido must use reasonable endeavours to procure that:
- (a) Nido Board unanimously recommends that Nido Shareholders accept the Offer, provided that no superior proposal is made; and
  - (b) the Nido Directors indicate their willingness to accept the Offer made in respect of any Nido Share that they own or control, or any Nido Shares that they will own or control upon the vesting and exercise of any Nido Performance Rights which they own or control, provided that no superior proposal is made.
- 8.6** If a superior proposal is made and Nido has complied with its obligations to give BCPE the right to match a competing proposal, the Nido Board may withdraw or change its recommendation in respect of the Offer and any Nido Director may change his or her intention to accept an Offer

made in respect of any Nido Share that they own or control.

## Timetable

- 8.7** The parties must use their reasonable endeavours to comply with the following timetable:

19 August 2014 or such other later date notified by BCPE to Nido provided that such does not breach the requirements under the Corporations Act.	BCPE despatches its Bidder's Statement to Nido Shareholders and sends notice to Nido confirming despatch.
3 September 2014 or such other later date notified by BCPE to Nido provided that such does not breach the requirements under the Corporations Act.	Nido delivers its Target's Statement to ASIC, ASX and Bidder and despatches its Target's Statement to Nido Shareholders.

## Nido's obligations in relation to the Nido Right to Ordinary Shares

- 8.8** Prior to the end of the Offer Period and provided that the condition in relation to minimum acceptance has been satisfied or waived by BCPE, Nido must:
- (a) obtain the consent of Philip Byrne to the cancellation of all outstanding Nido Right to Ordinary Shares for nil consideration;
  - (b) cancel the Nido Right to Ordinary Shares for nil consideration; and
  - (c) provide copies of all documents reasonably requested by BCPE relating to the cancellation of the Nido Right to Ordinary Shares.

## No-shop restriction

- 8.9** During the period from 1 August 2014 to the earlier of:
- (a) the end of the Offer Period;
  - (b) termination of the Bid Implementation Deed; and
  - (c) 6 months from the date of the Bid Implementation Deed,



(**Exclusivity Period**), Nido must ensure that neither it nor any of its representatives:

- (d) directly or indirectly solicits, invites, facilitates (including by providing information), encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a competing proposal or potential competing proposal; or
- (e) subject to the exception referred to in Section 8.11, enters into any agreement, arrangement or understanding in relation to, or which may reasonably be expected to lead to, an expression of interest, offer or proposal from any other person in relation to a competing proposal.

#### No-talk restriction

**8.10** Subject to the exception referred to in Section 8.11, during the Exclusivity Period, Nido must ensure that neither it nor any of its representatives enters into, continues or participates in negotiations or discussions with any other person regarding a competing proposal or potential competing proposal, even if:

- (a) the competing proposal was not directly or indirectly solicited, invited or initiated; or
- (b) the other person has publicly announced the competing proposal.

**8.11** The restrictions in Section 8.9(e) and 8.10 do not apply to the extent that they restrict Nido from taking or refusing to take any action with respect to a bona fide competing proposal (which was not solicited, invited, facilitated, encouraged or initiated in contravention of the no shop restriction) in circumstances where the Nido Board:

- (a) is acting in good faith and acting reasonably; and
- (b) obtain a written opinion from senior counsel practicing in the area of corporate law and its external legal advisers to the effect that it must take or refuse to take the action in question in order to properly discharge their fiduciary or statutory duties or legal obligations.

#### Notification

**8.12** During the Exclusivity Period, if a proposal is put to Nido by any person to engage in any activity that would, if carried out, breach Nido's obligations referred to above, Nido must immediately inform BCPE of that fact, the identity of that person, the terms of any proposal made by that person and a copy of any such proposal.

#### BCPE's right to match competing proposal

**8.13** Nido must not enter into, or announce that it intends to enter into, any agreement, arrangement understanding in relation to a competing proposal that any or all of the Nido Board wishes to recommend or support (**Other Proposal**), announce the Other Proposal, or rely on, withdraw or change their recommendation if there is a superior proposal as a result of the Other Proposal, unless:

- (a) the Other Proposal is capable of immediate acceptance by Nido, and upon acceptance will constitute a legally binding obligation of the proponent of the Other Proposal to proceed with that transaction;
- (b) the Nido Board unanimously determines that the Other Proposal is materially more favourable to Nido Shareholders than the Offer after receiving the written opinion from its external legal adviser;
- (c) Nido has notified BCPE of all details concerning the Other Proposal; and
- (d) BCPE has not, within 2 Business Days of that notification, submitted a proposal (**BCPE's Proposal**) to Nido which is on terms no less favourable than the terms of the Other Proposal.

**8.14** If BCPE's Proposal is on terms no less favourable than the Other Proposal, Nido must proceed exclusively with BCPE's Proposal.

#### Break Fee

**8.15** If:

- (a) any director of Nido:
  - (i) makes any public statement to the effect that he or she does not support (or no longer supports) the Offer; or
  - (ii) (without limiting subclause (i) above) fails to recommend the Offer to Nido

Shareholders or, having done so, any director of Nido publicly withdraws or varies his or her favourable recommendation of the Offer (or any part of it),

other than (in either such case) in circumstances where Nido is entitled to terminate the Bid Implementation Deed as a result of a material breach by BCPE of its obligations under the Bid Implementation Deed; or

- (b) BCPE terminates this Deed as a result of a material breach by Nido of its obligations under this Deed (and for the purposes of this and without limitation, any breach of the obligations in relation to the recommendation of the bid, the no shop restriction and the no talk restriction, are deemed a material breach of the Bid Implementation Deed),

then Nido must pay to BCPE a break fee of A\$1,200,000.

### **Termination rights**

**8.16** The Bid Implementation Deed may be terminated:

- (a) by a party if the other party is in material breach of the Bid Implementation Deed and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate; or
- (b) by a party which has not caused or contributed to a lapse of the Offer by a breach of the Bid Implementation Deed – the Offer lapses for any reason including non-satisfaction of a condition of the Offer;
- (c) by BCPE only – if the Nido Board changes its unanimous recommendation to Nido Shareholders in relation to the Offer,

by immediate notice to the other party.

### **Details of relevant interests of BCPE in Nido Shares and Voting Power in Nido**

**8.17** As at the date of this Bidder's Statement, BCPE has a Relevant Interest in 402,951,875 Nido Shares and BCPE's Voting Power in Nido is 19.66%.

### **Material contracts with Nido and Petroleum International**

**8.18** Other than the Share Sale Agreement and the Bid Implementation Deed, there are no material contracts between BCPE or any of its Related Bodies Corporate or Associates and Nido.

### **Consideration provided for Nido Shares during the previous four months**

**8.19** Neither BCPE nor any of its Associates has provided or agreed to provide, any form of consideration for Nido Shares under a purchase or agreement in the four months prior to the date of the Offer, except pursuant to the terms of the Share Sale Agreement.

### **No collateral benefits**

**8.20** Except as referred to elsewhere in this Bidder's Statement, neither BCPE nor any of its Associates has, during the period of four months up to the date of the Offer, given or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of Nido Shares,

which benefit is not offered to all Nido Shareholders under the Offer.

### **Agreements or arrangements with Nido Directors**

**8.21** Except as referred to above or elsewhere in this Bidder's Statement, there are no agreements or arrangements made between BCPE with the directors or senior management of Nido in connection with the Offer.

### **Interests of BCPE Directors in contracts entered into by Nido**

**8.22** No BCPE Director has any interest in any contract entered into by Nido.

### **Post-bid compulsory acquisition provisions**

**8.23** If BCPE becomes entitled to compulsorily acquire any Nido Shares under Section 661A of the Corporations Act, BCPE will give notices under Section 661B of the Corporations Act to compulsorily acquire all outstanding Nido Shares at the Offer Price.



**8.24** BCPE will be entitled to compulsorily acquire Nido Shares under Section 661A of the Corporations Act if, during or at the end of the Offer Period:

- (a) BCPE and its Associates have Relevant Interests in at least 90% (by number) of Nido Shares; and
- (b) BCPE and its Associates have acquired at least 75% (by number) of the Nido Shares that BCPE offered to acquire under the Offer.

**8.25** Holders of the Nido Shares covered by a compulsory acquisition notice under Section 661B of the Corporations Act may apply to the court for an order that their shares not be compulsorily acquired. The court may only make such an order if it is satisfied that the consideration is not fair value for the securities.

### **Institutional Acceptance Facility**

**8.26** As at the date of this Bidder's Statement, BCPE has not made a decision as to whether to introduce an institutional acceptance facility in connection with the Offer. However, BCPE reserves the right to introduce such a facility.

### **Regulatory approvals and relief**

**8.27** Except as disclosed in this Bidder's Statement, there are no regulatory approvals or other relief that BCPE needs to obtain before acquiring further Nido Shares under the Offer.

### **Consents**

**8.28** The following persons have given and have not, before the date of this Bidder's Statement, withdrawn, their consent from being named in this Bidder's Statement in the form and context in which its name appears:

- (a) Baker & McKenzie to being named as legal adviser to BCPE in relation to the Offer;
- (b) Record Point to being named as financial adviser to BCPE in relation to the Offer;
- (c) Thai Australian Resources to being named as corporate adviser to BCPE in relation to the Offer;
- (d) Deloitte to being named as tax adviser to BCPE in relation to the Offer; and
- (e) Computershare to being named as BCPE's share registry.

None of the above persons or entities has caused or authorised the issue of this Bidder's Statement, makes or purports to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than the reference to its name.

**8.29** As contemplated by *ASIC Class Order 01/1543*, this Bidder's Statement also includes statements based on statements made by persons in the circumstances described in that Class Order. Those persons have not consented to the inclusion of statements in this Bidder's Statement based on statements made by them. Where statements in this Bidder's Statement refer to, or are based on, statements made in or announcements made by BCPE to ASX, BCPE will provide a copy of those announcements free of charge to any person who asks for it during the Offer Period. Any requests for copies of those announcements may be made by calling the Offer Information Line on 1300 856 028 (toll free for callers within Australia) or +612 8022 7909 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).

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**8.30** As permitted by *ASIC Class Order 03/635*, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

**8.31** In addition, as permitted by *ASIC Class Order 07/429*, this Bidder's Statement contains security price trading data sourced from S&P Capital IQ without its consent.

### Approvals for payment of consideration

**8.32** As at the date of this Bidder's Statement, BCPE is not aware of any Nido Shareholder who requires any approval or clearance, in accordance with the following requirements in order to be entitled to receive any consideration under the Offer:

- (a) *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);
- (c) *Charter of the United Nations Act 1945* (Cth) or any regulations made thereunder; or
- (d) any other applicable law.

### No other material information

**8.33** There is no other information which:

- (a) is material to the making of the decision by a person to whom an Offer is made whether or not to accept an Offer;
- (b) is known to BCPE; and
- (c) has not previously been disclosed to Nido Shareholders, other than as disclosed in this Bidder's Statement.

### Authorisation of Bidder's Statement

**8.34** This Bidder's Statement was approved by a unanimous resolution of all of the directors of BCPE on 30 July 2014.

# 9 TERMS AND CONDITIONS OF THE OFFER

## Identity of offeror

- 9.1** BCPE is a wholly-owned subsidiary of Bangchak. BCPE was incorporated in Singapore. Details of BCPE and Bangchak are set out in Section 3.

## Date

- 9.2** The Offer is dated 19 August 2014.

## Off-market takeover offer

- 9.3** BCPE offers to acquire all of your Nido Shares on the terms of, and subject to the conditions set out in, this Section 9.
- 9.4** The Offer also extends to any Nido Shares issued on the exercise of rights attached to the Nido Performance Rights or any other convertible securities or rights to be issued Nido Shares in existence as at 4 August 2014 and which are exercised before the end of the Offer Period.
- 9.5** You may only accept the Offer in respect of all of your Nido Shares.

## Persons to whom the Offer is made

- 9.6** The Offer is made to:
- (a) each holder of Nido Shares registered in Nido's register of shareholders on the Register Date; and
  - (b) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered, or entitled to be registered, as the holder of any Nido Shares issued on the exercise of rights attached to the Nido Performance Rights or any other convertible securities or rights to be issued Nido Shares in existence as at 4 August 2014 and which are exercised before the end of the Offer Period.
- 9.7** If at the time the Offer is made to you, or at any time during the period from the Register Date to the end of the Offer Period and before you accept the Offer, another person is, or is entitled to be, registered as the holder of some or all of your Nido Shares to which the Offer relates, then:
- (a) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Nido Shares;

- (b) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Nido Shares you hold to which the Offer relates; and
- (c) the Offer is deemed to have been withdrawn immediately after making those corresponding offers.

- 9.8** If at any time during the Offer Period, you hold one or more parcels of Nido Shares as a trustee or nominee, or otherwise on account of another person, a separate and distinct offer is deemed to have been made in relation to each of those parcels and any parcel you hold in your own right. You may accept two or more such deemed separate corresponding offers at the same time as if they were a single offer for each distinct portion of Nido Shares. Your acceptance of one of the offers which is deemed to exist in respect of a distinct portion of Nido Shares is ineffective unless you have given BCPE a notice which:

- (a) if it relates to Nido Shares in an Issuer Sponsored Holding, must be in writing; or
- (b) if it relates to Nido Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act,

stating that the relevant Nido Shares consist of a distinct portion and your acceptance specifies the number of Nido Shares in the distinct portion to which the acceptance relates. If this applies to you, you should call the Offer Information Line on 1300 856 028 (toll free for callers within Australia) or +612 8022 7909 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time) for additional copies of this Bidder's Statement and the Acceptance Form, if required.

## Offer Price

- 9.9** The consideration which BCPE offers you is a cash payment of 5.5 cents for each Nido Share you hold. However, in accordance with Sections 9.12 and 9.13, the amount of consideration you are paid by BCPE may be reduced by the amount or value of any Rights attaching to the Nido Shares which you (or any previous holder of your Nido Shares) receive.

## Improved Offer Price

**9.10** If you have accepted the Offer and BCPE subsequently improves the Offer Price, you will be entitled to the improved consideration and BCPE will pay it to you:

- (a) if the Offer Price has not yet been paid to you, the improved consideration will be paid to you at the time when the consideration under the Offer is paid to you; or
- (b) if the Offer Price has been paid to you prior to the time BCPE improves the Offer Price, the improved consideration will be paid to you as soon as practicable.

## Rights

**9.11** BCPE will be entitled to all Rights (being those accruing after the Announcement Date) in respect of Nido Shares which it acquires under the Offer.

**9.12** If BCPE becomes entitled to any Rights in respect of your Nido Shares on your acceptance of the Offer, you must give BCPE all documents that BCPE needs to give BCPE title to those Rights. If you do not give those documents to BCPE, or if you have received or become entitled to the benefit of those Rights before BCPE provides the consideration to you, BCPE will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by BCPE) of those Rights in accordance with Section 9.13.

**9.13** If:

- (a) you have (or any previous holder of your Nido Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise);
- (b) you are (or any previous holder of your Nido Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (e.g. if the Right is to receive a dividend, if you are (or any previous holder of your Nido Shares is) the registered holder of the Nido Share at the record date for the dividend); or
- (c) your Nido Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to Nido Shareholders,

then:

- (d) in the case of Rights to non-cash benefits, BCPE may deduct the value (as reasonably assessed by BCPE) of such Rights from any consideration otherwise payable to you; or
- (e) in the case of Rights to cash benefits, BCPE may deduct the amount of any such Rights (together with the value, as reasonably assessed by BCPE, of any franking credits attached to the Rights) from any consideration otherwise payable to you.

If BCPE does not, or cannot, make such a deduction, you must pay such value or amount to BCPE.

## How to accept the Offer

### General

**9.14** The method by which you can accept the Offer will depend on whether your Nido Shares are in an Issuer Sponsored Holding or in a CHESS Holding.

**9.15** Your Nido Shares will be in an Issuer Sponsored Holding if they are sponsored directly by Nido as issuer. Your Nido Shares will be in a CHESS Holding if they are sponsored by a Controlling Participant (usually your Broker) or if you are a Participant. The enclosed Acceptance Form indicates whether you have an Issuer Sponsored Holding (indicated by an "I" next to your holder number on the Acceptance Form) or a CHESS Holding (indicated by an "X" next to your holder number on the Acceptance Form).

### Issuer Sponsored Holdings

**9.16** If any of your Nido Shares are in an Issuer Sponsored Holding, to accept the Offer in respect of those Nido Shares you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the terms of the Offer and the instructions on the form; and
- (b) ensure that the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received before the expiry of the Offer Period at the address shown on the Acceptance Form.

## Mailing and delivery details

- 9.17** A reply paid envelope has been enclosed with this Bidder's Statement to enable Nido Shareholders with Australian addresses to return their completed Acceptance Form. Overseas Nido Shareholders should return their Acceptance Form by airmail.
- 9.18** The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting Nido Shareholder.

## CHESS Holdings

- 9.19** If any of your Nido Shares are in a CHESS Holding, to accept the Offer in respect of those Nido Shares you must:
- (a) if you are not a Participant, you must instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with the ASX Settlement Operating Rules before the expiry of the Offer Period; or
  - (b) if you are a Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the expiry of the Offer Period.
- 9.20** Alternatively, you may authorise BCPE to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. To effect acceptance of the Offer in this manner you must complete, sign and send the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) in respect of your Nido Shares which are in a CHESS Holding in accordance with the instructions on the Acceptance Form. You must ensure that the Acceptance Form is received by BCPE in time for BCPE to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions before the expiry of the Offer Period. You will be taken to have completed acceptance of the Offer when your Controlling Participant initiates acceptance of the Offer in respect of your Nido Shares in accordance with the ASX Settlement Operating Rules.

## Nido Shares held in different holdings

- 9.21** If some of your Nido Shares are held in different parcels in different forms, you may need to take the steps set out under Section 9.8 in relation to the different parcels of your Nido Shares to accept the Offer.

## Nominee holdings

- 9.22** If your Nido Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

## Status of Acceptance Form

- 9.23** The personalised Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.

## Power of attorney, deceased estate

- 9.24** When accepting the Offer you must also forward for inspection:
- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; or
  - (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Nido Shareholder, the relevant grant of probate, letters of administration or certificates of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.
- 9.25** If the Acceptance Form is executed under power of attorney, the attorney declares by executing the Acceptance Form that the attorney has no notice of revocation of the power of attorney.

## When acceptance of the Offer is complete

- 9.26** Subject to Sections 9.14 to 9.25, acceptance of the Offer is complete once either:
- (a) in relation to holdings which are not CHESS Holdings, the completed Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) has been received at the address specified in the Acceptance Form and the requirements of Sections 9.14 to 9.25 (inclusive) have been met; or
  - (b) in relation to CHESS Holdings, acceptance has been carried out in accordance with the ASX Settlement Operating Rules.



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## Validity of acceptances

**9.27** BCPE will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. BCPE is not required to communicate with you prior to making its determination as to any of the matters referred to in this Section 9.27 or any determination to waive any requirement for a valid acceptance of the Offer in respect of any of your Nido Shares. The determination of such matters by BCPE will be final and binding on you.

**9.28** BCPE may at its sole discretion waive any requirement for a valid acceptance of the Offer in respect of any of your Nido Shares. Without limiting the foregoing:

- (a) except in relation to any of your Nido Shares in a CHESS Holding, BCPE may treat the receipt by it of an executed Acceptance Form as a valid acceptance of the Offer even though it does not receive any other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other acceptance requirements; and
- (b) where the requirements for a valid acceptance of the Offer have been complied with for only some of your Nido Shares, BCPE may deem your acceptance of the Offer complete in respect of all or none of your Nido Shares.

**9.29** BCPE will provide the consideration to you in accordance with Sections 9.46 to 9.50 (inclusive) with respect to any of your Nido Shares in relation to which BCPE has determined to waive any requirement for a valid acceptance of the Offer.

## Effect of acceptance

**9.30** By accepting the Offer in accordance with Sections 9.14 to 9.25, you will, or will be deemed to have:

- (a) irrevocably accepted the Offer (and any variation of it) for all of your Nido Shares and irrevocably agreed, subject to the Conditions of the Offer being fulfilled or freed, to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) all your Nido Shares to BCPE (regardless of the number of Nido Shares specified in the Acceptance Form or other acceptance);

(b) authorised BCPE (and its directors, officers or agents) to complete or alter the Acceptance Form by:

- (i) inserting correct details of your Nido Shares;
- (ii) filling in any blanks remaining in the Acceptance Form; and
- (iii) rectifying any errors in or omissions from the Acceptance Form (including, without limitation, altering the number of Nido Shares stated to be held by you if it is otherwise than as set out in the Acceptance Form),

as may be necessary to make the Acceptance Form an effective acceptance of the Offer or to enable the transfer of all of your Nido Shares to BCPE to be registered;

(c) if you signed the Acceptance Form in respect of any of your Nido Shares in a CHESS Holding, irrevocably authorised BCPE to:

- (i) instruct your Controlling Participant to initiate acceptance of the Offer in respect of all such Nido Shares in accordance with the ASX Settlement Operating Rules; and
- (ii) give to your Controlling Participant any other instructions concerning those Nido Shares on your behalf which are contemplated by the sponsorship agreement between you and the Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer in respect of all such Nido Shares,

and BCPE will be so authorised even though at the time of such transfer it has not paid the Offer Price due to you under the Offer.

(d) represented and warranted to BCPE, as a fundamental condition of the contract resulting from your acceptance that, both at the time of acceptance of the Offer and at the time you transfer your Nido Shares to BCPE:

- (i) your Nido Shares (including any Rights) will be fully paid and free from Encumbrances and that you have paid to Nido all amounts which are due for payment in respect of your Nido Shares;

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- (ii) you have full power, capacity and authority to sell and to transfer your Nido Shares (including the power, capacity and authority to transfer the legal and beneficial ownership of your Nido Shares and any Rights to BCPE); and
  - (iii) unless you have notified BCPE in accordance with Sections 9.6 to 9.8, your Nido Shares do not consist of several parcels of Nido Shares;
- (e) agreed with BCPE that you will execute all such instruments as BCPE may require for the purposes of vesting in it all Rights attaching to or arising from your Nido Shares;
- (f) with effect from the date that any contract resulting from your acceptance of the Offer, becomes unconditional (even where BCPE has not yet provided the consideration due to you), irrevocably appointed BCPE and each of its directors, secretaries and officers severally as your attorney, agent and proxy (such power of attorney, being coupled with an interest, being irrevocable) in your name and on your behalf, to:
- (i) do all things which you could lawfully do concerning your Nido Shares or in exercise of any right derived from the holding of your Nido Shares, including powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of Nido in respect of your Nido Shares and to request Nido to register in the name of BCPE or its nominee, your Nido Shares, as appropriate, with full power of substitution;
  - (ii) execute all documents, forms and notices (including an instrument appointing one of BCPE's directors, secretaries or officers as a proxy in respect of any or all of your Nido Shares and any application to Nido for a replacement share certificate in respect of any share certificate which has been lost or destroyed for your Nido Shares) and resolutions relating to your Nido Shares, and generally to exercise all powers and rights which you have as a registered holder of your Nido Shares; and
  - (iii) receive from Nido or any other party, and retain, any share certificates which were held by Nido or any other party, whether pursuant to the terms of any employee incentive scheme (including any employee share scheme) or otherwise for your Nido Shares;
- (g) agreed that in exercising the powers conferred by the power of attorney in Section 9.30(f), each attorney may act in the interests of BCPE as the intended registered holder and beneficial holder of your Nido Shares;
- (h) agreed to do all such acts, matters and things that BCPE may require to give effect to the matters the subject of this Section 9.30 (including the execution of a written form of proxy to the same effect as this Section 9.30 which complies in all respects with the requirements of the constitution of Nido) if requested by BCPE;
- (i) irrevocably authorised and directed Nido to pay BCPE or to account to BCPE for all Rights in respect of your Nido Shares it acquires under the Offer subject, however, to any such Rights received by BCPE being accounted for by BCPE to you if the Offer is withdrawn or the contract formed by your acceptance of the Offer is rescinded or rendered void;
- (j) except where the Rights have been paid or accounted for under clause (i) above, irrevocably authorised BCPE and its Directors to deduct from the consideration payable to you in accordance with the terms of the Offer the amount of all Rights referred to in clause (i) above or any amount equal to the value of those Rights as reasonably assessed by BCPE;
- (k) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where BCPE has not yet provided the consideration due to you), authorised BCPE (or its agents or nominees) to do all things necessary or desirable to transfer your Nido Shares into the name of BCPE;



- (l) if at the time of acceptance of the Offer any of your Nido Shares are in a CHESS Holding, with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where BCPE has not yet provided the consideration due to you), authorised BCPE (or its agents or nominees) to cause a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Operating Rules so as to transfer those Nido Shares to BCPE's takeover transferee holding;
- (m) agreed to indemnify BCPE and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Nido Shares being registered by Nido without production of your Holder Identification Number or Securityholder Reference Number; and
- (n) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where BCPE has not yet provided the consideration due to you), agreed not to attend or vote in person at any meeting of Nido in respect of your Nido Shares or to exercise or purport to exercise any of the powers conferred on BCPE or any of its directors, secretaries or officers under Section 9.30(f) above.

**9.31** The undertakings and authorities in Section 9.30 will remain in force after you receive the consideration for your Nido Shares acquired by BCPE and after BCPE becomes the registered holder of them.

### Conditions of the Offer

**9.32** The Offer and any contract that results from the acceptance of the Offer is subject to the conditions set out in Schedule 1 being fulfilled or waived by BCPE.

### Nature and effect of Conditions

**9.33** The FIRB Condition is a condition precedent to the acquisition by BCPE of any interest in any Nido Shares which would cause a breach of the FATA. Notwithstanding your acceptance of the Offer, unless and until the FIRB Condition is fulfilled:

- (a) no contract for the sale of your Nido Shares will come into force or be binding on you or BCPE; and
- (b) BCPE will have no rights (conditional or otherwise) in relation to your Nido Shares.

**9.34** Each of the Conditions with the exception of the FIRB Condition is a condition subsequent and does not, until the end of the Offer Period (or in the case of the Condition in 1.3 in Schedule 1, until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell your Nido Shares from arising.

**9.35** Each of the Conditions is separate, severable and distinct and will not be taken to limit the meaning or effect of any other Condition.

**9.36** If at the end of the Offer Period (or in the case of the Condition in 1.3 in Schedule 1 at the end of the third Business Day after the end of the Offer Period) in respect of any Condition:

- (a) the Bidder has not declared the Offer (and it has not become) free from that Condition; and
- (b) the Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such case, BCPE will notify ASX Settlement of the lapse of the Offer in accordance with the ASX Settlement Operating Rules.

### The benefit of the Conditions

**9.37** Subject to the provisions of the Corporations Act, BCPE alone is entitled to the benefit of the Conditions and any non-fulfilment of such Conditions may be relied upon only by BCPE, which may waive (generally or in respect of a particular event) breach or non-fulfilment of that Condition.

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## Freeing the Offer from the Conditions

**9.38** Subject to Section 650F of the Corporations Act, BCPE may, at any time in its sole discretion, declare the Offer free from any or all of the Conditions generally or in relation to any specific occurrence or any specific entity by giving notice in writing to Nido:

- (a) in relation to a Condition relating to an event or circumstance referred to in subsection 652C(1) or (2) of the Corporations Act, not later than three Business Days after the end of the Offer Period; and
- (b) in relation to any other Condition, not later than seven days before the end of the Offer Period.

## Notice of the status of the Conditions

**9.39** The date for giving the notice of the status of the Conditions required by Section 630(3) of the Corporations Act is 11 September 2014 (subject to extension in accordance with Section 630(2) of the Corporations Act if the Offer Period is extended).

## Date for determining holders of securities

**9.40** For the purposes of Section 633 of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act is the Register Date.

## Offer Period

**9.41** The Offer will remain open for acceptance until 7.00pm (Sydney time) on 19 September 2014, unless it is withdrawn or extended in accordance with the Corporations Act.

**9.42** BCPE expressly reserves its right under Section 650C of the Corporations Act, exercisable in its sole discretion, to extend the period during which the Offer remains open for acceptance.

**9.43** If within the last seven days of the Offer Period the Offer is varied to improve the consideration offered or if within the last seven days of the Offer Period BCPE's Voting Power in Nido increases to more than 50%, then in either case the Offer Period will be automatically extended in accordance with Section 624(2) of the Corporations Act, so that it ends 14 days after the relevant event.

## Withdrawal of Offer

**9.44** In accordance with Section 652B of the Corporations Act, unaccepted Offers may be withdrawn with the written consent of ASIC. ASIC may consent subject to conditions.

**9.45** If this occurs, BCPE will give notice of the withdrawal to ASX and to Nido and will comply with any other conditions imposed by ASIC.

## Manner of payment of the Offer Price

**9.46** BCPE will pay to you the consideration for your Nido Shares by cheque (or as otherwise agreed by BCPE) in Australian currency. The cheque will be sent at your risk to you at your address as shown on the Acceptance Form by prepaid ordinary mail or courier or, in the case of addresses outside Australia, by prepaid airmail.

## Timing of payment of the Offer Price

**9.47** Subject to Sections 9.27 to 9.49 and the Corporations Act, if you accept the Offer and the Conditions are fulfilled or waived, BCPE will provide the consideration for your Nido Shares to you on or before the earlier of:

- (a) the day one month after the date you accept the Offer or, if the Offer is subject to any Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional, whichever is the later; and

- (b) 21 days after the end of the Offer Period.

**9.48** Where the Acceptance Form or the Offer requires any one or more additional documents to be given to BCPE with your acceptance (such as a power of attorney) to enable BCPE to become the holder of your Nido Shares:

- (a) if the documents are delivered with your acceptance, BCPE will provide the consideration in accordance with Section 9.47;
- (b) if the documents are delivered after acceptance and before the end of the Offer Period at a time when the Offer is no longer subject to any Condition, BCPE will provide the consideration to you by the end of whichever of the following periods ends first:
  - (i) one month after the documents are delivered to BCPE; and
  - (ii) 21 days after the end of the Offer Period;

- (c) if the documents are delivered after acceptance and before the end of the Offer Period at a time when the Offer is still subject to any Condition, BCPE will provide the Offer Price to you by the end of whichever of the following periods ends first:
  - (i) one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period;
- (d) if the documents are delivered after the end of the Offer Period at a time when the Offer is no longer subject to any Condition, BCPE will provide the consideration to you within 21 days after the documents are delivered to BCPE; or
- (e) if the documents are delivered after the end of the Offer Period at a time when the Offer is still subject to any Condition, BCPE will provide the consideration to you within 21 days after the contract which arises upon your acceptance of the Offer becomes unconditional.

If you do not provide BCPE with the required additional documents within one month after the end of the Offer Period, BCPE may, in its sole discretion, rescind any contract resulting from your acceptance of the Offer.

**9.49** If BCPE determines to waive any requirement for a valid acceptance of the Offer in respect of any of your Nido Shares, payment of the Offer Price in accordance with the Offer may be delayed until any irregularity has been resolved or waived and BCPE has received any other documents required to procure registration of the relevant Nido Shares.

**9.50** No interest will be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

**9.51** If:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to BCPE, but before it has been received; or
- (b) you send your Acceptance Form and any accompanying documents and for any other reason BCPE does not acquire the Nido Shares to which your Acceptance Form relates,

BCPE will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance, where such address is in Australia,

prepaid ordinary mail, or where such address is outside Australia, pre-paid airmail.

## Clearances for offshore residents

**9.52** If, at the time you accept the Offer, any of the following:

- (a) *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);
- (c) *Charter of the United Nations Act 1945* (Cth) or any regulations made thereunder; or
- (d) any other applicable law,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency be obtained before you receive any consideration for your Nido Shares, or would make it unlawful for BCPE to provide any consideration to you for your Nido Shares, you will not be entitled to receive any consideration for your Nido Shares until all requisite authorities, clearances or approvals have been received by BCPE.

## Brokerage and other costs

**9.53** No brokerage, stamp duty or goods and services tax will be payable by you if you accept the Offer.

**9.54** If your Nido Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to BCPE, you will not incur any brokerage in connection with your acceptance of the Offer.

**9.55** If your Nido Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Nido Shares are registered in the name of a Broker, bank, custodian or other nominee, no brokerage is payable by you but you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transactional fees or services charges in connection with acceptance of the Offer.

## Variation

**9.56** BCPE may vary the Offer as permitted by the Corporations Act.

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## Foreign laws

**9.57** The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

## Notices

**9.58** Subject to the Corporations Act, any notice, nomination, or other communication to be given by BCPE to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of BCPE by any of its directors, secretaries or officers and is delivered to or sent by post in a pre-paid ordinary mail or by courier (or, in the case of addresses outside Australia, by prepaid airmail) to your address as recorded on the register of Nido Shareholders or the address shown on the Acceptance Form.

**9.59** Any notice or other communication given by you to BCPE in connection with the Offer will be deemed to be duly given if it is in writing and received by mail at the following address:

Mr. Somchai Tejavaniya  
C/o The Bangchak Petroleum  
Public Company Limited  
555/1 Energy Complex,  
10th Floor, Building A,  
Vibhavadi Rangsit Road,  
Chatuchak, Bangkok 10900

## Return of documents

**9.60** If you accept the Offer and:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to BCPE but before it has been received; or
- (b) for any other reason BCPE does not acquire your Nido Shares,

you may request BCPE by notice in writing to despatch (at your risk) your Acceptance Form together with all other documents forwarded by you. The documents will be despatched to you, to your address as recorded on the register of Nido Shareholders, in accordance with clause 9.58.

## Governing law

**9.61** The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales.

# 10 DEFINITIONS AND INTERPRETATION

**10.1** In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

**Acceptance Form** means the acceptance form which accompanies this Bidder's Statement.

**AIFRS** means Australian equivalents to International Financial Reporting Standards, which are the Accounting Standards applicable to disclosing entities at the date of this Bidder's Statement.

**Announcement Date** means the date on which BCPE publicly proposed to make the Offer, being 4 August 2014.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if Section 12(1) of that Act included a reference to this Bidder's Statement and Nido is the designated body.

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532) as a holder of a licence to operate a clearing and settlement facility.

**ASX Settlement Operating Rules** means the rules of ASX Settlement from time to time, except to the extent of any relief given by ASX Settlement.

**ASX** means ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.

**Bangchak** means Bangchak Petroleum PCL.

**BCPE** means BCPE International Pte. Ltd.

**BCPE Board or BCPE Directors** means the board of directors of BCPE (and each of the directors of BCPE as the case may be).

**Bid Implementation Deed** means the Bid Implementation Deed between BCPE and Nido dated 4 August 2014.

**Bidder's Statement** means this Bidder's Statement in respect of the Offer given by BCPE under Part 6.5 of Chapter 6 of the Corporations Act and any supplementary or replacement bidder's statement.

**Broker** means a person who is a share broker and a participant in CHESS.

**Business Day** means a day on which banks are open for business in Sydney, Australia but not a Saturday, Sunday or public holiday.

**CGT** means capital gains tax.

**CHESS** means Clearing House Electronic Subregister System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

**CHESS Holding** means a holding of Nido Shares on the CHESS subregister of Nido.

**Closing Date** means 19 September 2014, unless extended in accordance with the Corporations Act.

**Condition** means a condition set out in Schedule 1.

**Controller** has the meaning given in Section 9 of the Corporations Act.

**Controlling Participant** means the Participant who is designated as the controlling participant for Nido Shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Double Tax Treaty** means an agreement entered into between Australia and another country for the relief of double taxation and prevention of fiscal evasion.

**Encumbrance** means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and any security interest as defined in Section 12(1) and (2) of the PPSA.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**FIRB Condition** means the Condition in Section 1.2 of Schedule 1.

**Foreign Shareholder** means a Shareholder who is not, and never has been, and will not at any relevant time be, a resident of Australia for the purposes of the Tax Law.



**Government Agency** means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

**Holder Identification Number** has the meaning given to “HIN” in the ASX Settlement Operating Rules.

**Insolvency Event** means:

- (a) process is filed in a court seeking an order that it be wound up or that a Controller be appointed to it or any of its assets, unless the application is withdrawn, struck out or dismissed within seven days of it being filed;
- (b) an order is made that it be wound up or that a Controller be appointed to it or any of its assets;
- (c) a resolution that it be wound up is passed or proposed;
- (d) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking;
- (e) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed or proposed, or any other steps are taken to appoint an administrator to it;
- (f) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;
- (g) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is proposed or effected;

- (h) any action is taken by ASIC with a view to its deregistration or its dissolution, or an application is made to ASIC that any such action be taken;
- (i) it is insolvent within the meaning of Section 95A of the Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or is presumed to be insolvent under any applicable law;
- (j) as a result of the operation of Section 459F(1) of the Corporations Act, it is taken to have failed to comply with a statutory demand;
- (k) it stops or suspends or threatens to stop or suspend the payment of all or a class of its debts or the conduct of all or a substantial part of its business;
- (l) any event or circumstance set out in Section 461 of the Corporations Act occurs in relation to it; or
- (m) anything having a substantially similar effect to any of the events specified in paragraphs (a) to (l) inclusive happens to it under the law of any jurisdiction.

**Issuer Sponsored Holding** means a holding of Nido Shares on Nido’s issuer sponsored sub-register.

**Listing Rules** means the official listing rules of ASX, except to the extent of any waiver granted by ASX.

**Nido** means Nido Limited (ABN 65 086 630 373).

**Nido Board or Nido Directors** means the board of directors of Nido.

**Nido Performance Rights** means the right to be issued with Nido Shares granted by Nido which are governed by the terms of Nido’s Employee Performance Rights Plan.

**Nido Rights to Ordinary Shares** means the rights to ordinary shares outstanding under the terms of the Sign-on and Retention Bonus pursuant to the terms and conditions of Philip Byrne’s original employment contract with Nido.

**Nido Shareholder** means a holder of a Nido Share.



**Nido Shares** means fully paid ordinary shares in the capital of Nido.

**Offer** means the offer to acquire Nido Shares by BCPE as set out in this Bidder's Statement.

**Offer Price** has the meaning given in Section 9.9.

**Offer Period** means the period commencing 19 August 2014 and ending at 7.00pm (Sydney time) on 19 September 2014 unless withdrawn in accordance with the Corporations Act.

**Participant** has the meaning given in the ASX Settlement Operating Rules.

**Person** means an incorporated or unincorporated body or association as well as a natural person.

**Petroleum International** means Petroleum International Investment Corporation.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Prescribed Occurrence** means an event listed in sections 652C(1)(a) to (h) inclusive of the Corporations Act and 652C(2)(a) to (e) inclusive of the Corporations Act.

**Register Date** means the date set by BCPE under Section 633(2) of the Corporations Act, being 10.00am on 4 August 2014.

**Relevant Interest** has the meaning given to that term in sections 608 and 609 of the Corporations Act.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of Nido Shares, whether directly or indirectly, including all rights to receive dividends, distributions or proceeds from any return or reduction of capital, to receive or subscribe for shares, units, notes, options or other securities including by way of any return or reduction of capital and to receive all other distributions or entitlements declared, paid, made or issued by Nido (including by way of any return or reduction of capital) after the Announcement Date which may be paid or payable to Nido Shareholders by Nido but only if the record date for any such dividend occurs before BCPE is registered as the holder of the relevant Nido Shares.

**Securityholder Reference Number** has the same meaning as in the ASX Settlement Operating Rules.

**Share Sale Agreement** means the Share Sale and Purchase Agreement between BCPE and Petroleum International dated 30 July 2014.

**Subsidiary** has the meaning given in the Corporations Act.

**Superior Proposal** means a bona fide competing proposal which the board of directors of Nido, acting in good faith and to satisfy what it considers to be its fiduciary or statutory duties (after having taken advice from legal and financial advisers) determines if a transaction is more favourable to Nido Shareholders than the Offer, taking into account all of the terms and conditions of the competing proposal.

**Target Material Adverse Change** means any matter, event, change or circumstance or announcement (or, in the case of any pre-existing matter, event, change or circumstance, any worsening thereof) which becomes known to BCPE on or after 4 August 2014 that, individually or in the aggregate with other such matters, events, changes or circumstances, has or is reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial position, financial performance, results, operations, reputation, prospects or profitability of Nido and its Subsidiaries (as a whole), unless it is a matter, event, change, circumstance or announcement which:

- (a) occurs with the prior written consent of BCPE;
- (b) is required by the Bid Implementation Deed or the transactions contemplated by the Bid Implementation Deed;
- (c) relates to price of oil or USD:AUD exchange rates;
- (d) results from or arises in connection with:
  - (i) any adoption, implementation or change in applicable law or regulation or the practice or policy of, or any interpretation of applicable law or regulation or the practice or policy by, any Governmental Agency;

(ii) any change in global, national or regional economic, political or business conditions (including the outbreak of war or acts of terrorism) except for the following which could individually, or in aggregate with other matters, events, changes or circumstances cause a Target Material Adverse Change:

- (a) changes to commodity prices (excluding oil prices);
- (b) changes to exchange rates (excluding changes in the USD:AUD exchange rate); or
- (c) changes to financial markets; or

(iii) a dry well in Nido's Gurita PSC prospect;

- (e) was caused or to the extent contributed to by any climatic or other natural event or condition (including any weather conditions and any natural disaster); or
- (f) has been fairly disclosed in public filings by Nido or any of its Subsidiaries (including in each case, disclosure as to the extent or magnitude of the fact, matter or circumstance) prior to the Announcement Date.

**Tax Law** means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth).

**Treasurer** means the Treasurer of the Commonwealth of Australia or his or her delegate.

**Voting Power** has the meaning given to that term in Section 610 of the Corporations Act.

**VWAP** means the volume weighted average price.

**10.2** Capitalised terms used in this Bidder's Statement and not otherwise defined in this Bidder's Statement have the meaning (if any) given to them for the purposes of Chapter 6 of the Corporations Act or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

### **10.3** In this Bidder's Statement:

- (a) headings are for convenience only and do not affect the interpretation of this Bidder's Statement;  
and unless the context otherwise requires;
- (b) the singular includes the plural and vice versa;
- (c) a gender includes all genders;
- (d) references to persons include corporations;
- (e) references to Clauses or Sections are to Clauses or Sections in this Bidder's Statement;
- (f) references to dollar or \$ are references to Australian currency;
- (g) references to "you" are to a person to whom the Offer is made under Sections 9.6 to 9.8;
- (h) the word "including" or "includes" means "including, but not limited to" or "includes, without limitation";
- (i) references to legislation, rules or other documents include those instruments as amended, supplemented or replaced, and in the case of legislation include regulations, rules and instruments made under that legislation; and
- (j) references to time are references to the prevailing time in Sydney, Australia.

# SCHEDULE 1

## Conditions

**1.1 (Minimum acceptance)** At the end of the Offer Period, BCPE and its Associates together have acquired Relevant Interests (disregarding any Relevant Interest that BCPE has merely because of the operation of Section 608(3) of the Corporations Act) in at least 90% (by number) of Nido Shares on issue.

**1.2 (Foreign Investment Review Board approval)** One of the following occurs:

- (a) the Treasurer advises Bangchak before the end of the Offer Period to the effect that there are no objections to the acquisition of Nido Shares by BCPE pursuant to the Offer in terms of the Federal Government's foreign investment policy;
- (b) no order is made under Section 18(2) of the FATA or interim order made under Section 22 of the FATA in relation to the acquisition of Nido Shares by BCPE pursuant to the Offer within a period of 40 days after Bangchak has notified the Treasurer that BCPE proposes to acquire Nido Shares under the Offer and no notice has been given by the Treasurer to BCPE during that period to the effect that there are any such objections; or
- (c) where an order is made under Section 22 of the FATA, a period of 90 days has expired after the order came into operation and no notice has been given by the Treasurer to Bangchak during that period to the effect that there are any such objections.

**1.3 (No Prescribed Occurrence)** Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occur without the prior written approval of BCPE:

- (a) Nido converts all or any of its Shares into a larger or smaller number;
- (b) Nido or any of its Subsidiaries resolves to reduce its share capital in any way or reclassifies, combines, splits, redeems or repurchases, directly or indirectly, any of its shares;
- (c) Nido or any of its Subsidiaries:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Nido or any of its Subsidiaries issues shares (other than Nido Shares issued as the result of the exercise of any Nido Performance Right on issue as at the Announcement Date), securities or other instruments convertible into shares, grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) an Insolvency Event occurs in relation to Nido or any of its Subsidiaries;
- (f) Nido or any of its Subsidiaries disposes or agrees to dispose of, the whole, or a substantial part, of its business or property; or
- (g) Nido or any of its Subsidiaries grants, or agrees to grant, a security interest over the whole, or a substantial part, of its business or property.

**1.4 (No Target Material Adverse Change)** Before the end of the Offer Period, no Target Material Adverse Change occurs.

**1.5 (Cancellation of RTOS)** Cancellation of the Nido Right to Ordinary Shares for nil consideration before the end of the Offer Period.

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# CORPORATE DIRECTORY

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## Directors

Mr. Surachai Kositsareewong  
Mr. Somchai Tejavanija  
Mr. Lim Chia Wei Roy

## Secretaries

Anthony Anne Catharine  
Lathika Devi Amma

## Registered Office

8 Marina Boulevard #05-02,  
Marina Bay Financial Centre,  
Singapore 018981

## Offer Information Line

1300 856 028 (toll free for callers in Australia)  
+612 8022 7909 (callers outside Australia)

Monday to Friday between 8.30am and 5.30pm  
(Sydney time)

## Offer website

[www.nidooffer.com.au](http://www.nidooffer.com.au)

## Share Registry for the Offer

Computershare Investor Services Pty Ltd  
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Fax: +613 9473 2500

## Corporate adviser

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Rajdamri Road Lumpini  
Bangkok 10330  
Thailand

## Financial adviser

Record Point  
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259 George Street  
Sydney NSW 2000  
Australia

## Legal adviser

Baker & McKenzie  
Level 27  
AMP Centre  
50 Bridge Street  
Sydney NSW 2000  
Australia

## Tax adviser

Deloitte  
Level 14, 240 St Georges Terrace  
Perth WA 6000  
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