



15 October 2014

**NOT FOR ANNOUNCEMENT**

Companies Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Evoworld Corporation Pty Ltd – Bidder's Statement**

Enclosed is an announcement from Evoworld Corporation Pty Ltd (**Evoworld**) with its bidders statement in relation to its proportional off-market takeover bid to acquire 30% of the fully paid ordinary shares in Neon Energy Limited ACN 002 796 974 that Evoworld and its associates do not currently own.

The documents comprise 45 pages (not including this cover sheet).

Yours faithfully

**Anna Watts**  
GTP Legal

Direct Line: + 61 8 6555 1869  
Mobile: + 61 407 774 178  
Email: [awatts@gtplegal.com](mailto:awatts@gtplegal.com)

# EVOWORLD CORPORATION PTY LTD

ACN: 601 545 742

33 Yilgarn Street Shenton Park WA 6008

Postal: PO Box 8294, Subiaco East WA 6008

15 October 2014

Companies Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## Evoworld Corporation Pty Ltd – Bidder's Statement

Pursuant to item 5 in section 633(1) of the Corporations Act 2001 (Cth) (**Act**), attached is a copy of the Bidder's Statement in relation to Evoworld Corporation Pty Ltd's ACN 601 545 742 (**Company**) proportional off-market takeover bid to acquire 30% of the fully paid ordinary shares in Neon Energy Limited ACN 002 796 974 (**Neon**) that the Company and its associates do not currently own which was lodged with the Australian Securities and Investments Commission and served on Neon today.

We note, for the purposes of section 633(4) of the Act, that the Company has set 5pm (WST) on 17 October 2014 as the time and date for determining those persons to whom information is to be sent under items 6 and 12 of section 633(1) of the Act.

Yours sincerely



Timothy Kestell  
Director  
Evoworld Corporation Pty Ltd

# **Bidder's Statement**

**Offer By**  
**Evoworld Corporation Pty Ltd**  
**ACN 601 545 742**

**To acquire 30% of your Shares in**  
**Neon Energy Limited**  
**ACN 002 796 974**

**At 3.5 Cents per Share in cash**

**The Offer is scheduled to close on 1 December 2014, unless extended**

**Evoworld's Legal Adviser**  
**GTP Legal**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER AS SOON AS POSSIBLE.**

## Important Information

This Bidder's Statement is issued by Evoworld Corporation Pty Ltd (ACN 601 545 742) (**Evoworld**) under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 15 October 2014. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

## Investment Advice

In preparing this Bidder's Statement, Evoworld has not taken into account the individual objectives, financial situation or needs of individual Neon Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

## Disclaimer as to Forward Looking Statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Neon and the members of the Neon Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Evoworld, the officers of Evoworld or any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes 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 forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

## Disclaimer as to Neon Information

The information on Neon and Neon's securities contained in this Bidder's Statement has been prepared by Evoworld using publicly available information.

Information in this Bidder's Statement concerning Neon's business has not been independently verified by Evoworld. Accordingly Evoworld does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Neon's business may be included in Neon's Target's Statement which Neon must provide to its shareholders in response to this Bidder's Statement.

## Privacy

Evoworld has collected your information from the Neon register of shareholders for the purpose of making this Offer and, if accepted, paying you the cash consideration under the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Evoworld's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Evoworld is 33 Yilgarn Street, Shenton Park, WA, 6008, Australia.

## Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 10 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in Chapter 6 of the Corporations Act.

## Key Dates

Date of this Bidder's Statement	15 October 2014
Date of Offer	29 October 2014
Offer closes (unless extended or withdrawn)	5pm (WST) on 1 December 2014

## Key Contacts

### Share registrar for the Offer

Security Transfer Registrars Pty Ltd

770 Canning Hwy Applecross WA 6153

Phone: +61 8 9315 2333

Fax: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

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## Letter from the Chairman

15 October 2014

Dear fellow Neon Shareholder,

### Proportional Takeover Offer for Neon

I am pleased to enclose our Offer to acquire 30% of your Shares in Neon Energy Limited for a price of 3.5 cents cash per Neon Share. As you may know, Evoworld currently holds 110,552,266 Shares which represents approximately 19.99% of Shares on issue.

The reasons why Evoworld believes you should accept the Offer are as follows:

- Evoworld's Offer represents a 40% premium to the closing price on 29 August 2014 (being the last day on which trades were made prior to Evoworld purchasing Shares) for 30% of your Shares;
- Evoworld's Offer allows you to realise definite cash value for 30% of your Shares; and
- Evoworld's Offer gives you the opportunity to receive value now for part of your shareholding and benefit from any future potential upside of Neon in respect of your remaining shareholding.

Detailed information in respect of Evoworld's Offer is set out in this Bidder's Statement. You should read this Bidder's Statement in its entirety, including the conditions to the Offer.

Evoworld's Offer is open for acceptance until 5pm (WST) on 1 December 2014, unless extended.

I urge you to accept the Offer as soon as possible. To accept the Offer, you should follow the instructions detailed in the enclosed Acceptance Form and in section 4 of the Annexure to this Bidder's Statement.

If you require additional assistance, please contact your stockbroker, accountant or financial adviser.

Yours sincerely,



Ross Williams  
Chairman

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## **1. Why You Should Accept the Offer**

### **1.1 Evoworld's Offer represents a premium to the closing price on Friday 29<sup>th</sup> of August 2014 for 30% of your Shares**

Evoworld's Offer of 3.5 cents cash per Share for 30% of the Shares you hold represents a 40% premium to the closing price on 29 August 2014 (being the last day on which trades were made prior to Evoworld purchasing Shares) and a 12.9% premium to the closing price on 14 October 2014 (being the last day on which trades were made prior to this Bidder's Statement being lodged with ASIC).

The closing price of Shares on the date immediately preceding the date of this Bidder's Statement was 3.1 cents.

### **1.2 Evoworld's Offer allows you to realise definite cash value for 30% of your Shares**

If you accept Evoworld's Offer and it becomes unconditional, you will receive a definite cash value of 3.5 cents per Share for 30% of the Shares that you hold. Being cash, the Offer price is not complicated by the need to value other securities. Further, you will not pay any stamp duty if you accept Evoworld's Offer. If your Shares are registered in an Issuer Sponsored Holding, you will also not incur any brokerage by accepting the Offer (you may incur brokerage or other charges if you choose to sell your Shares on-market or if you instruct your broker to accept the Offer on your behalf).

### **1.3 Evoworld's Offer gives you the opportunity to receive value now for part of your shareholding and benefit from any future potential upside of Neon in respect of your remaining shareholding**

Evoworld's proportional offer will:

- (a) ensure Neon remains listed on the ASX; and
- (b) enable Neon Shareholders to capture any future potential growth in the value of Neon, which may not be available to Neon Shareholders through an offer for 100% of Neon at this time.

If you accept the Offer and the Offer becomes unconditional, you will receive 3.5 cents cash per Share for 30% of the Shares that you hold. The remaining 70% of your shareholding would be held alongside Evoworld, and all Neon Shareholders will (in proportion to their shareholdings) retain exposure to Neon and its assets and benefit in any future potential upside of Neon.

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## **2. Summary of the Offer**

### **2.1 What Evoworld is offering to buy**

Evoworld is offering to buy 30% of your Shares on the terms set out in this Bidder's Statement. In this regard, you may only accept the Offer for the full 30% of your entire shareholding in Neon. If you accept the Offer, you will retain 70% of your Shares. In the event that you subsequently sell Shares on-market, the purchaser of those Shares will not be entitled to accept the Offer in respect of those Shares (refer to section 1.2 of the Annexure to this Bidder's Statement for further information).

Evoworld will not buy Shares that are issued during the Offer Period due to the exercise of Neon Options.



## **2.2 What you will receive if you accept the Offer**

If you accept the Offer you will, subject to the satisfaction of the conditions to the Offer, receive 3.5 cents cash for each of the Shares comprised in the 30% of your Shares accepted under the Offer.

## **2.3 When you will be paid**

If you accept the Offer, you will generally be paid on or before the earlier of:

- (a) one month after the date this Offer is accepted by you or, if the Offer is subject to a defeating condition when accepted, within one month after the Offer becomes unconditional; or
- (b) 21 days after the end of the Offer Period provided that the Offer has become unconditional.

Full details of when payments will be made are set out in section 5 of the Annexure to this Bidder's Statement.

## **2.4 Close of the Offer**

The Offer closes at 5pm (WST) on 1 December 2014, unless it is extended under the Corporations Act. If Evoworld wishes to extend the Offer, you will be sent written notice of any extension, as required by the Corporations Act.

## **2.5 There are some conditions to the Offer**

The Offer is subject to some conditions, including:

- (a) a majority of the Neon Board being made up of Evoworld nominees;
- (b) at or before the end of the Offer Period, Evoworld has received acceptances of at least 50% of the number of Shares the subject of the Offers;
- (c) the shareholders of Neon (other than Evoworld and its associates) pass, or are deemed to have passed, a resolution to approve the proportional off-market bid by Evoworld in accordance with Neon's constitution;
- (d) Neon not proceeding with an alternative proposal from a third party;
- (e) no material adverse change affecting Neon; and
- (f) no change to the capital structure of Neon and its subsidiaries.

In relation to the condition in sub-paragraph (a) above, Evoworld and some of its Associates, OBG, P&L and Quicksilver, have requisitioned a meeting of the Neon Shareholders to seek a change in the composition of the Neon Board of Directors. Refer to section 7.2 for further details of the requisitioned meeting.

Full terms of the conditions are set out in section 6 of the Annexure to this Bidder's Statement. Evoworld may choose to waive any of these conditions, in accordance with the Offer.

## **2.6 Neon Options**

Neon Option holders who's Options are exercised into Shares during the Offer Period will not be able to accept the Offer in respect of the Shares that they are issued. Evoworld is not making a separate offer to holders of Neon Options.

## 2.7 How you accept the Offer

You may only accept the Offer for 30% of your Shares.

(a) Issuer sponsored shareholders

If your Shares are held on Neon's issuer sponsored subregister (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it in accordance with the instructions contained in the form before the Offer closes.

(b) CHESS sponsored shareholders

If your Shares are in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- (i) completing and signing the Acceptance Form enclosed with this booklet and returning it in accordance with the instructions contained in the form; or
- (ii) calling your broker and instructing your broker to accept the Offer on your behalf, before the Offer closes.

(c) Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 4 of the Annexure to this Bidder's Statement.

## 2.8 Where to go for further information

For queries in relation to the Offer, see the enclosed Acceptance Form or contact your stockbroker, accountant or financial adviser.

## 2.9 Important notice

The information in this section 2 is a summary only of Evoworld's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the Target's Statement that Neon will shortly be sending to you, before deciding whether to accept the Offer.

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## 3. Information on Evoworld

### 3.1 Introduction

Evoworld is a privately held company incorporated on 1 September 2014 as a special purpose vehicle for making the Offer. Evoworld's registered office is located in Perth, Australia.

The current shareholders of Evoworld are:

- (a) P&L – 1 Evoworld Share;

- (b) OBG – 1 Evoworld Share; and
- (c) Ross Williams ATF the Williams Trading Trust – 1 Evoworld Share.

Evoworld is currently the registered holder of 110,552,266 Shares (being a 19.99% interest in the Shares on issue at the date of this Bidder's Statement).

Evoworld's current directors are Peter Pynes, Timothy Kestell and Ross Williams. Further information in respect of the Evoworld Board is set out in section 3.2(b) of this Bidder's Statement.

### **3.2 Overview of Evoworld and its Principal Activities**

#### **(a) History and Operations**

Due to Evoworld being recently incorporated, it does not have any significant track record of investments or returns to investors. Evoworld does not have any subsidiaries, interests in any other companies or assets or carry on any activities other than as described in section 3 of this Bidder's Statement.

Evoworld:

- (i) has not lodged any financial statements with the ASIC; and
- (ii) is not listed on any recognised stock exchange and therefore is not subject to the periodic and continuous disclosure requirements of the Listing Rules.

#### **(b) Shareholders of Evoworld**

##### **(i) P&L**

P&L is a privately held company which was incorporated as an investment vehicle for the benefit of its shareholders. The current directors and shareholders of P&L are Peter Pynes and his wife Lara Pynes who each hold 1 fully paid ordinary share in the capital of P&L.

P&L does not carry on or run an active business. It holds equity and property assets on behalf of its members. In addition, P&L acts as trustee for the P & L Capital Trust, a family trust which has been formed to hold assets on behalf of its beneficiaries who are all of the members of Peter Pynes' immediate family.

##### **(ii) OBG**

Old Blood and Guts Pty Ltd is a privately held company which was incorporated for the benefit of its shareholders. The current director of OBG is Tim Kestell and the shareholders of OBG are Tim Kestell and his father, Paul Kestell (who holds 1 of 1001 shares). It does not carry on or run an active business. It holds equity assets on behalf of its members.

##### **(iii) Mr Ross Campbell Williams ATF The Williams Trading Trust**

The Williams Trading Trust is a discretionary family trust which has been formed to hold assets on behalf of its beneficiaries who are all members of Ross Williams' family. Further information on Mr Williams is provided in section 3.2(d) of this Bidder's Statement.

## (c) Associates of Evoworld

The following parties are associates of Evoworld:

(i) The shareholders of Evoworld in section 3.2(b) of this Bidder's Statement.

(ii) Quicksilver

Quicksilver is a privately held company which was incorporated for the benefit of its shareholder. The current director and shareholder of Quicksilver is Lara Pynes, the wife of Peter Pynes. It does not carry on or run an active business. It holds equity and property assets on behalf of its member.

(iii) Mrs Lara Pynes

Mrs Pynes is the wife of Peter Pynes and is a shareholder and director of P&L and the sole director and shareholder of Quicksilver.

(iv) Mr Peter Pynes

Mr Pynes, a director of Evoworld, is a director and shareholder of P&L, a shareholder of Evoworld.

(v) Mr Tim Kestell

Mr Kestell, a director of Evoworld, is the sole shareholder and director of OBG, a shareholder of Evoworld.

(vi) Mr Ross Williams

Mr Williams, a director of Evoworld, acts as trustee for The Williams Trading Trust.

The above parties are all associates of Evoworld by virtue of section 12(2)(c) of the Corporations Act because they are acting together in respect of Evoworld making the Offer and in respect of requesting the Requisitioned Meeting. In addition, each of the shareholders of Evoworld in section 3.2(b) of this Bidder's Statement has a deemed relevant interest in the Shares held by Evoworld by virtue of section 608(3)(a) of the Corporations Act as each of the shareholders holds more than 20% of the shares of Evoworld.

## (d) Directors of Evoworld

Brief profiles of the directors of Evoworld as at the date of this Bidder's Statement are as follows:

**Mr Peter Pynes**

Non-Executive Director

Mr Pynes has in excess of 25 years' experience in Australia and overseas capital markets. He previously worked at Deutsche Bank as a director, global markets where he gained extensive knowledge of global structured debt products as well as capital raising and syndication. In this role Mr Pynes established relationships with leading Australian investment institutions, which included his involvement in \$350,000,000 of ASX listed structured debt transactions and in excess of \$3,800,000,000 of ASX listed hybrid and convertible investments. In the past decade, Mr Pynes has played a key role in forming and capitalising both public listed and unlisted companies. Mr Pynes has been involved in both initial public offerings and takeovers,

including the listing on the ASX of Tusker Gold Limited and its successful cash takeover by Barrick Gold Limited. Mr Pynes is a director of MPC Funding Limited, a specialist financing company providing in excess of \$450m of loan funds for the development of the Melbourne Convention Centre. Mr Pynes is a Fellow of the Australian Institute of Company Directors (FAICD) and a Senior Associate of Financial Services Institute of Australia (SA FIN).

Directorships: Nexus Bonds Limited  
Blue Capital Limited  
MPC Funding Limited

Past Directorships: Centralian Minerals Limited (from October 2006 – June 2007)  
Indago Resources Limited (2010 – 2012)  
Tusker Gold Limited (2010 – 2011)  
Emerald Oil and Gas NL (from October 2013 – August 2014)

#### **Mr Tim Kestell**

Non-Executive Director

Mr Kestell has over 18 years' experience in equity markets, including working for Australian stockbrokers Euroz Securities and Patersons.

In the past decade, Mr Kestell has played a key role in forming and/or recapitalising publicly listed companies, and raising more than \$70,000,000 in the process as well as being involved in numerous takeovers, including Barrick Gold Limited's offer for Tusker Gold Limited.

Mr Kestell holds a Bachelor of Commerce degree.

Directorships: Blue Capital Limited

Past Directorships: Northern Energy Limited (from 2004-2005)  
Biosignal Limited (formerly CTI Communications Limited) (from 2003-2004)  
Centralian Minerals Limited (from October 2006 – June 2007)  
Indago Resources Limited (2010 – 2012)  
Tusker Gold Limited (2010 – 2011)  
Emmerson Resources Limited (2005-2014)  
Emerald Oil and Gas NL (2013-2014)

#### **Mr Ross Williams**

Non-Executive Director

Mr Williams is a founding shareholder of MACA Limited and up until July 2014 held the position of CFO and Finance Director with responsibility for capital management, finance, financial reporting and corporate strategy. He played a key role in the highly successful IPO of MACA in 2010 and was pivotal to its subsequent success as a publicly listed company. He continues to serve the Board of MACA as a Non-Executive Director.

Mr Williams is also a Non-Executive Director of Emerald Oil & Gas NL, having previously held the position of Chairman during its successful Board transition in 2014.

Mr Williams holds a Post Graduate Diploma in Financial Services Management from Macquarie University and was a Fellow of the Australian Institute of Banking and Finance prior to establishing MACA in 2002.

Directorships:                   MACA Limited  
   Emerald Oil & Gas NL

(e)       Financial information on Evoworld

While Evoworld does not have any significant track record of investments or returns to investors, it has entered into the Loan Agreement with its current shareholders and their associated entities for the purpose of funding the Offer. Further details in respect of the Loan Agreement are set out in section 6.2 of this Bidder's Statement.

(f)       Requisitioned Shareholder Meeting

Evoworld and some of its Associates, OBG, P&L and Quicksilver, have served a notice to requisition a general meeting of Neon Shareholders to seek a change in the composition of the Neon Board of Directors. Refer to section 7.2 for further details of the requisitioned meeting.

### 3.3       Publicly available information about Evoworld

Evoworld is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Evoworld may be obtained from, or inspected at, an ASIC office.

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## 4.       Information on Neon

### 4.1       Overview of Neon and its Principal Activities

(a)       History and Operations

Neon Energy Limited is an Australian Stock Exchange listed company (ASX: NEN) focused on oil and gas exploration.

Neon was formed in 2009 through the purchase of private company Neon Energy Pty Ltd by Salinas Energy Limited, an ASX listed entity. The merged entity combined Neon's highly prospective Vietnamese exploration assets with Salinas Energy's diverse portfolio of Californian production, appraisal and exploration assets.

(b)       Financial overview

Based on Neon's latest financial report, as at 30 June 2014, Neon had total assets of \$29,822,713; total liabilities of \$7,615,775; and total equity of \$22,206,938.

For further details in respect of Neon's financial status, please refer to Neon's interim financial report for the half-year ended 30 June 2014, Neon's annual financial report for the year ended 31 December 2013 which are available on the ASX website, [www.asx.com.au](http://www.asx.com.au) (ASX:NEN), Neon's website, [www.neonenergy.com](http://www.neonenergy.com) or by contacting Neon directly.

(c)       Directors of Neon

**Alan Stein**

Non-Executive Chairman

Dr Stein is a petroleum geologist with over 25 years international experience. He was a founder and former CEO of Fusion Oil & Gas plc (AIM) and Ophir Energy plc (LSE). With these companies he has been involved in major oil and gas discoveries in Mauritania, Equatorial

Guinea and Tanzania. Ophir was the most successful IPO on the London Stock Exchange during 2011 and the company now has a market capitalisation in excess of £2 billion.

Dr Stein is currently the non-executive Chairman of Hanno Resources which has extensive mineral exploration interests in northwest Africa. Dr Stein was one of the founders of Neon Energy Pty Ltd, having been involved in the acquisition of the corporate database in 2005. Dr Stein was appointed a Director of the Company on 27 October 2009.

**Ken Charsinsky**

Managing Director

Mr Charsinsky has over 36 years of worldwide international E&P experience in both technical and management roles. After receiving an MS Geology degree from Rensselaer Polytechnic Institute, he commenced his career with Cities Service Oil and Gas Company. He has subsequently worked for Oxy, Maxus Energy, CMS (Nomeco) Oil and Gas Company and Noble Energy Inc. He has held several Management positions including assignments as MD in Congo and Tunisia.

During his tenure on those projects production was enhanced and exploration discoveries were made, adding significant value. Prior to assuming his current role as Managing Director at Neon Mr Charsinsky was Exploration Director, International New Ventures for Noble Energy Inc. He was responsible for the acquisition of a number of key strategic assets in Equatorial Guinea, Cameroon, Nicaragua and Southeast Asia.

Mr Charsinsky was appointed a Director of the Company on 27 October 2009.

**John Lander**

Non-Executive Director

Mr Lander has over 45 years experience in the international E&P industry and has held a number of senior management positions and directorships in successful oil and gas companies listed in the United Kingdom. He is a Non-executive Director of Ophir Energy Plc.

Mr Lander was appointed as a Director of the Company on 27 October 2009

## **4.2 Disclaimer**

The information on Neon has been prepared by Evoworld using publicly available information. The information has not been independently verified and Evoworld does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information.

The information on Neon in this Bidder's Statement should not be considered comprehensive. Further information relating to Neon's business may be included in Neon's Target's Statement which Neon must provide to Neon Shareholders in response to this Bidder's Statement.

## **4.3 Publicly available information about Neon**

Neon is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Neon is subject to the listing rules of ASX which require continuous disclosure of any information Neon has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Neon's file is available for inspection at ASX during normal business hours.

In addition, Neon is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Neon may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Neon is available in electronic form at [www.neonenergy.com](http://www.neonenergy.com).

## 5. Information on Neon's Securities

### 5.1 Neon's Issued Securities

According to documents provided by Neon to ASX, as at the date of this Bidder's Statement, Neon's issued securities consisted of:

- (a) 553,037,848 Shares;
- (b) 36,773,500 Performance Right; and
- (c) 2,000,000 Options.

The Performance Rights are unlisted and the expiry dates are as follows:

Number of Performance Rights	Expiry Date
2,694,638	30 June 2016
34,078,862	1 June 2016

The Options are unlisted and the terms are as follows:

Number of Options	Exercise Price	Expiry Date
1,000,000	\$0.60	4 September 2016
1,000,000	\$1.00	4 September 2016

The Offer does not extend to Shares issued on any exercise of Options or on satisfaction of any performance conditions of the Performance Rights.

### 5.2 Substantial shareholders in Neon

As at the date of this Bidder's Statement, according to documents provided by Neon to ASX, the following entities are substantial shareholders in Neon:

Substantial shareholder	Number of Shares Held	Voting Power (%)
Evoworld	110,552,266	19.99%



A list of the top 20 shareholders of Neon, as at 20 March 2014 is set out in its annual financial report for the year ended 31 December 2013 which is available on the ASX website, [www.asx.com.au](http://www.asx.com.au) (ASX:NEN), Neon's website, [www.neonenergy.com](http://www.neonenergy.com) or by contacting Neon directly.

If Evoworld acquires 30% of the Shares on issue as at the Register Date that it does not currently hold or control, the total of such Shares being 132,745,675, Evoworld would then hold approximately 43.99% of the Shares (based on the number of Shares on issue as at the date of this Bidder's Statement).

If Evoworld acquires 30% of the Shares on issue as at the Register Date that it does not currently hold or control, and 100% of all Small Parcels that result from a Shareholder accepting the Offer for its Shares (based on the Share register as at 18 September 2014), the total of such Shares being 151,033,086, Evoworld would then hold approximately 47.30% of the Shares (based on the number of Shares on issue as at the date of this Bidder's Statement).

In addition, Evoworld may be required to acquire more than 30% of the Shares held by trustees or nominees (refer to section 1.3(c) of the Annexure for further details) which may result in Evoworld acquiring more than 47.30% of the Shares.

### 5.3 Interests in Neon Securities

As at the date of this Bidder's Statement, Evoworld and its Associates:

- (a) had a voting power in Neon of 19.99%;
- (b) had a relevant interest in 110,552,266 Shares; and
- (c) did not have a relevant interest in any Options or other securities of Neon.

As at the date of the Offer, Evoworld and its Associates:

- (a) had a voting power in Neon of 19.99%;
- (b) had a relevant interest in 110,552,266 Shares; and
- (c) did not have a relevant interest in any Options or other securities of Neon.

### 5.4 Dealings in Shares

Evoworld and Evoworld's Associates, P&L, Quicksilver and OBG made the following on-market purchases of Shares. The Shares purchased by P&L, Quicksilver and OBG on behalf of Evoworld have been registered in Evoworld's name (refer to the notes to the table below for further information):

Date	Shares	Total Consideration	Consideration per Share	%
<b>Evoworld</b>				
4 September 2014	7,550,000	\$264,250.00	\$0.035	1.37
5 September 2014	1,144,475	\$40,056.63	\$0.035	0.21
10 September 2014	13,886,147	\$485,834.63	\$0.034987	2.51

11 September 2014	8,669,132	\$303,419.62	\$0.035	1.57
12 September 2014	3,846,565	\$134,629.78	\$0.035	0.70
15 September 2014	2,502,671	\$87,593.49	\$0.035	0.45
16 September 2014	1,773,248	\$62,063.68	\$0.035	0.32
18 September 2014	5,064,058	\$177,242.03	\$0.035	0.92
19 September 2014	1,889,405	\$66,129.18	\$0.035	0.34
22 September 2014	3,199,857	\$111,995.00	\$0.035	0.58
23 September 2014	2,840,885	\$99,430.98	\$0.035	0.51
24 September 2014	2,251,545	\$78,578.92	\$0.0349	0.40
25 September 2014	552,266	\$18,224.78	\$0.033	.10
<b>P&amp;L<sup>1</sup></b>				
2 September 2014	500,000	\$14,000.00	\$0.028	0.09
<b>Quicksilver<sup>2</sup></b>				
2 September 2014	3,000,000	\$84,000.00	\$0.028	0.54
3 September 2014	11,332,320	\$372,833.33	\$0.0329	2.05
<b>OBG<sup>3</sup></b>				
1 September 2014	6,552,732	\$180,855.40	\$0.0276	1.18
3 September 2014	33,996,960	\$1,118,499.98	\$0.0329	6.15
<b>Total</b>	<b>110,552,266</b>	<b>\$3,699,637.40</b>		<b>19.99</b>

## Notes:

1. These Shares were purchased by P&L on behalf of Evoworld on-market and were registered in Evoworld's name on 17 September 2014.
2. These Shares were purchased by Quicksilver on behalf of Evoworld on-market and were registered in Evoworld's name on 17 September 2014.
3. These Shares were purchased by OBG on behalf of Evoworld on-market and were registered in Evoworld's name on 17 September 2014.

Other than as set out above, neither Evoworld nor any Associate of Evoworld has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the 4 months before the date of this Bidder's statement, or in the period between the date of this Bidder's Statement and date of the Offer.

## **5.5 Effect of the Offer on Options**

The Offer does not extend to Shares that are issued on the exercise of Neon Options during the period from the Register Date to the end of the Offer Period.

Evoworld is not making a separate offer to holders of Neon Options.

## **5.6 No pre Offer benefits**

Except as set out in this Bidder's Statement, during the period of 4 months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, neither Evoworld nor any Associate of Evoworld gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

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

and which is not offered to all holders of Shares under the Offer.

## **5.7 No escalation agreements**

Neither Evoworld nor any Associate of Evoworld has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

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# **6. Sources of Consideration**

## **6.1 Total cash consideration**

The consideration for the acquisition of the Shares to which the Offer relates will be satisfied wholly in cash.

Without taking into account the fact that some Neon Shareholders who holds Shares as nominees or custodians may accept the Offer for 100% of their Shares (refer to section 1.3(c) of the Annexure for further details), the maximum amount of cash that Evoworld would be required to pay under the Offer if all acceptances are received in respect of Shares on issue as at the date of this Bidder's Statement (other than those Shares in which Evoworld has a relevant interest) would be approximately \$5,286,158.

However, given that the Offer will extend to 100% of the Shares held by some Neon Shareholders (those who will be left with a Small Parcel if the Offer is accepted in respect of their Shares), it is not possible to determine the exact maximum amount of cash that Evoworld may be required to pay under the Offer in the unlikely circumstance that all Neon Shareholders accept the Offer.

Evoworld has reviewed the Neon share register as at 18 September 2014 as provided by Neon and believes according to the register provided:

- (a) there are 26,124,873 Shares in parcels of 20,408 Shares or less which at a deemed price of 3.5 cents could accept the Offer in respect of 100% of their Share holdings (such shareholders can accept in respect of 100% of their Shares because to accept in respect of 30% would result in the relevant shareholder holding an unmarketable parcel). The amount required to acquire these Shares has been included in the maximum consideration calculation referred to above,

- (b) the nominee and custodian holdings total approximately 60,541,906 Shares. Of these Shares, 18,162,572 are already covered by the maximum consideration calculation referred to above (ie 30%). That leaves 42,379,334 additional Shares that may conceivably be covered by the Offer. The additional funding required by Evoworld to acquire these Shares amount to \$1,483,277.

Evoworld considers that \$5,800,363 (being the Loan Agreement amount less the amount paid for Shares purchased on-market to date) should be more than sufficient to finance the consideration payable under the Offer, as it is unlikely that all Neon Shareholders accept the Offer and that all nominees and custodians hold Shares on behalf of beneficial owners who will be left with a Small Parcel if the Offer is accepted in respect of each of those parcels. However, if required, the facility under the Loan Agreement will be increased to cover the amount in paragraph (b) above to the extent needed.

## 6.2 Sources of cash consideration

Evoworld has borrowed funds and has the ability to borrow further funds to fund the consideration payable under the Offer from the following entities:

- (a) OBG – an entity controlled by Tim Kestell;
- (b) P&L – an entity controlled by Peter Pynes and his wife, Lara Pynes;
- (c) Quicksilver – an entity controlled by Peter Pyne's wife, Lara Pynes; and
- (d) Ross Williams ATF The Williams Trading Trust,

(together, **the Lenders**) pursuant to a loan agreement dated 4 September 2014 (**Loan Agreement**).

The Lenders have irrevocably and unconditionally agreed to advance to Evoworld up to \$9,500,000, of which \$4,112,142 has been advanced at the date of this Bidder's Statement, which amount Evoworld considers is sufficient to satisfy Evoworld's obligations under the Offer, together with amounts required to cover all transaction costs associated with the Offer, on the following terms:

- (a) the funding arrangement is non-interest bearing;
- (b) the funds may be used for the sole purposes of purchasing Shares on market, making payment of the consideration payable under the Offer and to cover the costs associated with the Offer;
- (c) the funds are available at any time and the right of Evoworld to request an advance is not subject to any conditions precedent; and
- (d) the funding remains available at any time during which consideration is payable under the Offer.

Under the terms of the Loan Agreement, each of P&L and Quicksilver (jointly), OBG, and Ross Williams ATF The Williams Trading Trust will lend one third of the required funds to fund the Offer.

The events of default under the Loan Agreement are Evoworld failing to perform a material undertaking under the Loan Agreement including failing to use funds advanced for the purpose of purchasing Shares on market or making payment of consideration under the Offer, Evoworld becoming insolvent or Evoworld failing to repay any amounts owing to the Lenders when they are due and payable.

If an event of default occurs under the Loan Agreement a Lender may issue a default notice to Evoworld and Evoworld shall have a period of 7 days to remedy the default. If Evoworld fails to remedy the default, the Lenders may seek to terminate the Loan Agreement, in which case, Evoworld must repay

the moneys owing under the Loan Agreement within 12 months of termination. The moneys owing under the Loan Agreement must be repaid by Evoworld 12 months after the earlier of the final advance being drawn down and the payment of the consideration under the Offer. Evoworld believes that this period will be sufficient to enable it to arrange refinancing or other means to effect repayment if the loan has not been repaid by that date.

The Lenders have no power over voting or disposition of Shares under the Loan Agreement and the Lenders do not acquire any relevant interest in Shares under the Loan Agreement.

The Offer is not subject to any financing conditions.

### 6.3 Financial Position of Evoworld and the Lenders

As at the date of this Bidder's Statement, Evoworld has no assets, other than 19.99% of the Shares in Neon, with cash at bank of approximately \$385,170.

Evoworld has obtained certificates from each of the accountants for the Lenders that confirm their ability to fulfil their commitments under the Loan Agreement and the ability to provide its proportionate share of the additional funding noted in section 6.1(b) of this Bidders Statement. Evoworld considers this to be a reasonable form of verification of each Lender's capability to fulfil its obligations under the Loan Agreement.

In the accountants' certificates, the accountants have confirmed that, in each case, the accountant considers that the relevant Lender has sufficient capacity through cash, securities and other investments, to satisfy the financing commitment under the Facility Agreement and the Lender's proportionate share of the additional funding noted in section 6.1(b) of this Bidders Statement.

The accountant for each Lender is set out in the table below:

Lender	Accountant
OBG	MKT Pty Ltd trading as MKT Taxation Advisors
P&L	John Kosovich, CA, CPA, FTIA
Quicksilver	John Kosovich, CA, CPA, FTIA
Ross Williams ATF The Williams Trading Trust	Brealey Quill Kenny, Certified Practising Accountants

Having regard to the matters set out in this section 6, Evoworld 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 the Shares pursuant to the Offer to satisfy its obligations under the Offer.

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## 7. Evoworld's Intentions in Relation to Neon

### 7.1 Introduction

The articulation and formulation of Evoworld's intentions in relation to Neon are necessarily limited by virtue of the fact that it has only had access to publicly available information about Neon and its affairs.

The intentions of Evoworld are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Neon, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will

only be reached by Evoworld in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change. Any reference to Evoworld's intentions in relation to Neon in this section 7 includes the intentions of Evoworld's Associates.

## 7.2 Reconstitution of Neon board

As announced by Neon on 15 September 2014, Evoworld and some of its Associates, OBG , P&L and Quicksilver, served a general meeting requisition on Neon pursuant to section 249D of the Corporations Act seeking:

- (a) the removal of all existing directors from the Neon Board; and
- (b) the appointment of Messrs Peter Pynes, Tim Kestell and Ross Williams to the Neon Board,

**(Requisitioned Meeting).**

Prior to the date of this Bidder's Statement, Neon has sent a notice of meeting to Shareholders to convene the Requisitioned Meeting on 12 November 2014.

## 7.3 Intentions for Neon as a part owned controlled entity

If, pursuant to the Offer, Evoworld acquires 30% of the Shares on issue as at the Register Date that it does not currently hold or control (the total of such Shares being 132,745,675), Evoworld would then hold approximately 43.99% of the Shares (based on the number of Shares on issue as at the date of this Bidder's Statement).

This section 7.3 describes Evoworld's intentions if by virtue of acceptances of the Offer, Evoworld gains effective control of Neon, but where Evoworld is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In these circumstances, Evoworld's current intentions are as follows:

- (a) Corporate matters

After the end of the Offer Period, Evoworld intends:

- (i) (subject to the Corporations Act and the constitution of Neon) to consider appointing additional nominees to the Neon Board, depending on the extent of success of the Offer (and if considered necessary, in order to satisfy the defeating condition set out in section 6.1(a) of the Annexure to this Bidder's Statement); and
- (ii) (subject to continued compliance by Neon with the Listing Rules) to maintain Neon's listing on the ASX.

- (b) Operational matters and assets

After the end of the Offer Period:

- (i) **General operational review:** Evoworld intends to conduct a broad based review of Neon's operations on a strategic, operational and financial level to: (i) evaluate Neon's performance and corporate direction; (ii) review existing deposit arrangements and their jurisdictions; and (iii) review funds that are held in escrow or trust.

- (ii) **Head office and employees:** It is Evoworld's intention that Neon's head office remain in Perth. However, a review will be conducted to look at potential cost savings that may be achieved by reducing staff numbers and/or consolidating back office work.
- (iii) **Strategic review:** A complete review of current assets and direction of the company will take place in light of the results of Neon's last financial year and Evoworld intends to search for value accretive opportunities for Neon.
- (iv) **Costs review:** Evoworld intends to review Neon's overheads with a view to making significant cost savings where possible.
- (v) **Capital Management:** Evoworld will look to undertake capital management initiatives in relation to Neon's capital such as share buy-backs.

#### 7.4 Limitations in giving effect to intentions

The ability of Evoworld to implement the intentions set out in this section 7 will be subject to the legal obligations of Neon directors to act in good faith and for proper purposes and to have regard to the interests of Neon and Neon Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties, conflicts of interest and material personal interests. Evoworld will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

#### 7.5 Intentions for Neon if not controlled by Evoworld

This section 7.5 describes Evoworld's intentions if Evoworld does not gain effective control of Neon by virtue of acceptances of the Offer.

In that circumstance:

- (a) Evoworld may not be in a position to give effect to the intentions set out in section 7.3 of this Bidder's Statement, but will endeavour to do so, to the extent practicable; and
- (b) Evoworld's current intention is to hold any stake in Neon with a view to maximising returns for Neon, Evoworld and their respective shareholders (this may result in Evoworld acquiring additional Shares, to the extent permitted by law).

#### 7.6 Other intentions

Subject to the matters described above in this section 7 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Neon's operations, it is the intention of Evoworld, on the basis of the facts and information concerning Neon that are known to it and the existing circumstances affecting the assets and operations of Neon at the date of this Bidder's Statement, that:

- (a) the business of Neon will be conducted in the same manner as at the date of this Bidder's Statement (other than as provided in section 7.3(b)(ii)7.3(b)(iii));
- (b) there will be no redeployment of the fixed assets of Neon (other than as provided in section 7.3(b)(iii)); and
- (c) the present employees of Neon will continue to be employed by Neon (other than as provided in section 7.3(b)(ii)).

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## **8. Tax Considerations**

### **8.1 Introduction**

The following is a general description of the Australian income and capital gains tax consequences to Neon Shareholders on the acceptance of the Offer. The comments set out below are relevant only to those Neon Shareholders who hold their Shares as capital assets for the purpose of investment.

Neon Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer. The following summary is intended only for Australian resident Neon Shareholders.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Neon Shareholder. Neon Shareholders should seek independent professional advice in relation to their own particular circumstances.

### **8.2 Australian resident shareholders**

Acceptance of the Offer will involve the disposal by Neon Shareholders of their Shares by way of transfer to Evoworld. This change in the ownership of the Shares will constitute a capital gains tax event for Australian capital gains tax purposes.

Neon Shareholders who are Australian residents may make a capital gain or capital loss on the transfer of Shares acquired on or after 20 September 1985, depending on whether their capital proceeds from the disposal of the Shares are more than the cost base (or in some cases indexed cost base) of those Shares, or whether the capital proceeds are less than their reduced cost base of those Shares.

The capital proceeds of the capital gains tax event will be the consideration price received by the Neon Shareholder in respect of the disposal of the Shares. The cost base of the Shares generally includes their cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the shareholder.

If the Shares were acquired at or before 11.45am on 21 September 1999 and held for at least 12 months before their disposal, a Neon Shareholder may adjust the cost base of the Shares to include indexation by reference to changes in the consumer price index from the calendar quarter in which the Shares were acquired until the quarter ended 30 September 1999. These indexation adjustments are taken into account only for the purposes of calculating a capital gain; they are ignored when calculating the amount of any capital loss.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months but do not index the cost base of the Shares should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trusts or by 33% for complying superannuation entities.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.



### **8.3 Non resident shareholders**

Neon Shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian capital gains tax on the disposal of Shares if they and their Associates have not held 10% or more of the issued Shares throughout a twelve month period in the two years preceding the disposal of their Shares. This is on the assumption that Neon will be deemed to have over 50% of its underlying value represented by Australian real property (land and rights relating to land) – which would generally be the case for Australian mining companies.

### **8.4 Goods and Services Tax**

Holders of Shares should not be liable to GST in respect of a disposal of those Shares.

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## **9. Other Material Information**

### **9.1 Potential for waiver of defeating conditions**

Evoworld's Offer is subject to a number of defeating conditions set out in section 6.1 of the Annexure to this Bidder's Statement. Under the terms of the Offer and the Corporations Act, any or all of those defeating conditions may be waived by Evoworld.

If an event occurs which results (or would result) in the non-fulfilment of a defeating condition, Evoworld may not make a decision as to whether it will either rely on the occurrence, or instead waive the defeating condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act. If Evoworld decides that it will waive a defeating condition, it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any defeating condition is not fulfilled and Evoworld decides to rely on that non-fulfilment, then any contract resulting from acceptance of an Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Shares will be returned to the holder.

### **9.2 Date for determining holders of shares**

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

### **9.3 Consents**

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. The relevant statements were taken from Neon's interim financial report for the half-year ended 30 June 2014, Neon's annual financial report for the year ended 31 December 2013, and other notices which Neon has lodged with ASX and Neon's website – [www.neonenergy.com](http://www.neonenergy.com). If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the Offer Period, please call Evoworld's Company Secretary, Amanda Burgess, on 0418 342 762.

In addition, as permitted by ASIC Class Order 13/523, 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.

Each of the accountants for the Lenders named in the table in Section 6.3 of this Bidder's Statement (**Accountants**) have consented to being named in the Bidder's Statement in the form and context in which their names appear and to the inclusion of the statement about the certificates given by the Accountants in section 6.3 of this Bidder's Statement in respect of their certificate in the form and context in which it is included and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC. Each of the Accountants:

- (a) does not make, or purport to make, any statement in the Bidder's Statement or any statement on which a statement in this Bidder's Statement is based except for the statement about the certificates given by each Accountant in section 6.3 of this Bidder's Statement in respect of their certificate;
- (b) makes no representation regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from, any part of this Bidder's Statement, other than a reference to their name and the statement about the certificates given by each Accountant in section 6.3 of this Bidder's Statement in respect of their certificate; and
- (c) has not caused or authorised the issue of this Bidder's Statement or the making of the Offer.

GTP Legal and Security Transfer Registrars have each consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC. Each of GTP Legal and Security Transfer Registrars:

- (d) does not make, or purport to make, any statement in the Bidder's Statement or any statement on which a statement in this Bidder's Statement is based;
- (e) makes no representation regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from, any part of this Bidder's Statement, other than a reference to their name; and
- (f) has not caused or authorised the issue of this Bidder's Statement or the making of the Offer.

#### **9.4 ASIC modifications and exemptions**

Evoworld has not obtained from ASIC any modifications or exemptions from the Corporations Act in relation to Evoworld's Offer.

Evoworld may rely upon various "class order" instruments published by ASIC which provides for modifications and exemptions that apply generally to all persons, including Evoworld.

#### **9.5 Social security and superannuation implications of Offer**

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

#### **9.6 Other material information**

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Neon Shareholder whether or not to accept the Offer; and

(b) known to Evoworld,

which has not previously been disclosed to Neon Shareholders.

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## 10. Definitions and Interpretations

### 10.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

**\$ or A\$** means Australian dollars, the lawful currency of the Commonwealth of Australia.

**Acceptance Form** means the acceptance form enclosed with this Bidder's Statement.

**Accepted Shares** has the meaning given to that term in section 7.1(b) of the Annexure.

**Accountants** has the meaning given to that term in section 9.3 of this Bidder's Statement.

**Announcement Date** means the date of the announcement of the Offer by Evoworld, being 5 September 2014.

**Annexure** means the annexure to this Bidder's Statement.

**Approval** means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

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

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub register System.

**Bidder's Statement** means this document, being the statement of Evoworld under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

**Business Day** means a day on which banks are open for business in Perth, excluding a Saturday, Sunday or public holiday.

**CGT** means capital gains tax.

**CHESS Holding** means a number of Shares which are registered on Neon's share register being a register administered by the ASX Settlement Pty Limited and which records uncertificated holdings of Shares.

**Controlling Participant** in relation to your Shares, has the same meaning as in the ASX Settlement Operating Rules.

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

**Evoworld** means Evoworld Corporation Pty Ltd (ACN 601 545 742).

**Evoworld Board** means the board of directors of Evoworld.

**Evoworld Share** means a fully paid ordinary share in the capital of Evoworld.

**Holder Identification Number** has the same meaning as in the ASX Settlement Operating Rules.

**Issuer Sponsored Holdings** means a holding of Shares on Neon's issuer sponsored sub-register.

**Lenders** has the meaning given to that term in section 6.2 of this Bidder's Statement.

**Listing Rules** means the Official Listing Rules of ASX, as amended and waived by ASX from time to time.

**Loan Agreement** has the meaning given to that term in section 6.2 of this Bidder's Statement.

**Neon** means Neon Energy Limited (ACN 002 796 974).

**Neon Board** means the board of directors of Neon.

**Neon Group** means Neon and its subsidiaries.

**Neon Shareholder** means a holder of Shares.

**OBG** means Old Blood and Guts Pty Ltd (ACN 122 608 360).

**Offer and Evoworld's Offer** means the offer by Evoworld for Shares under this Bidder's Statement.

**Offers** means the offers made under the Offer.

**Offer Period** means the period during which the Offer will remain open for acceptance in accordance with section 3 of the Annexure to this Bidder's Statement.

**Options or Neon Options** means options to subscribe for Shares.

**P&L** means P & L Capital Investments Pty Ltd (ACN 127 446 904).

**Participant** means an entity admitted to participate in the Clearing House Electronic Sub-register system under Rule 4.3.1, 4.4.1 and 4.5.1 of the ASX Settlement Operating Rules.

**Public Authority** means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court in respect of proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.

**Quicksilver** means Quicksilver Asset Pty Ltd (ACN 106 986 261).

**Register Date** means the date set by Evoworld under section 633(2) of the Corporations Act, being 17 October 2014.

**Requisitioned Meeting** has the meaning given to that term in section 7.2 of this Bidder's Statement.

**Rights** means all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Neon or any of its subsidiaries).

**Security Transfer Registrars** means Security Transfer Registrars Pty Ltd ACN 008 894 488.

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

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

**Small Parcels** has the meaning given to that term in section 1.3 of the Annexure.

**Takeover Transferee Holding** has the same meaning as in the ASX Settlement Operating Rules.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## **10.2 Interpretations**

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment, annexure and schedule is a reference to a section of and an attachment, annexure and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Perth, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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## 11. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by all the directors of Evoworld.

Dated: 15 October 2014

Signed for and on behalf of  
Evoworld Corporation Pty Ltd



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Timothy Kestell  
Director  
Evoworld Corporation Pty Ltd

## Annexure – Offer Terms

### 1. Offer

#### 1.1 Partial offer

- (a) Evoworld offers to acquire 30% of your Shares together with all Rights attaching to them on the following terms and conditions (section 1.5 of this Annexure discusses treatment of fractions).
- (b) Subject to these terms, you may only accept this Offer for 30% of your Shares but not a greater proportion.
- (c) This Offer does not extend to any Options you may hold.
- (d) An Offer in this form and bearing the same date is being made to each person registered as the holder of Shares in the register of Neon Shareholders as at 5pm (WST) on the Register Date.
- (e) The Offer does not extend to any Shares that are issued between the Register Date and the end of the Offer Period, including Shares issued as a result of the exercise of Options or on satisfaction of any performance conditions of the Performance Rights.

#### 1.2 Offer extends to others

This Offer extends to any person able to give good title to any Shares during the Offer Period and who has not already accepted an Offer for those Shares. If you accept this Offer in respect of 30% of your Shares, you are not entitled to accept the Offer for your remaining Shares (**Remaining Shares**), nor can a transferee of your Remaining Shares. Your Remaining Shares will effectively be 'tagged' so that a transferee of the Remaining Shares will be prevented from accepting this Offer.

#### 1.3 Extension to unmarketable parcels

- (a) Despite sections 1.1(b) and 1.2 of this Annexure and subject to the remainder of this section 1.3, if accepting the Offer would leave you with less than a marketable parcel of Shares (ie less than \$500 worth of Shares, based on the closing price of Shares on the ASX on the most recent day before the date of your acceptance of the Offer that Shares were traded on the ASX (**Small Parcel**)), the Offer extends to that Small Parcel and if you accept this Offer for your Shares, you will be deemed to have accepted for, and be paid consideration for, 100% of your Shares.
- (b) Section 1.3(a) of this Annexure does not apply to a parcel, whether held beneficially or otherwise, that has come into existence or increased in size because of a transaction entered into (including the creation of one or more trusts) after the Announcement Date.
- (c) If under section 653B(1)(b) of the Corporations Act and section 8 of this Annexure, a Neon Shareholder may accept the Offer as if a separate offer has been made in relation to:
  - (i) one or more parcels that they hold as trustee or nominee, or otherwise on account of, another person (a **beneficiary**); or
  - (ii) a parcel held in the Neon Shareholder's own right,

then section 1.3(a) of this Annexure applies to the Shareholder in relation to each parcel rather than the aggregate of the parcels, provided the Neon Shareholder has, before or at the same

time as an acceptance of the Offer extended under section 1.3(a) of this Annexure, given a notice complying with section 1.3(d) of this Annexure to Evoworld in relation to the parcel.

- (d) A notice complies with this section in relation to a parcel if the notice is signed by the Neon Shareholder and states:
  - (i) as applicable:
    - (A) that the Neon Shareholder holds the parcel in its own right; or
    - (B) where the parcel is held by the Neon Shareholder as trustee or nominee for, or otherwise on account of, one or more beneficiaries – the name and address of each beneficiary; and
  - (ii) if the Neon Shareholder holds the parcel as trustee or nominee for, or otherwise on account of, one or more beneficiaries – the date (and if the date is the Announcement Date – the time of day) the Neon Shareholder reasonably believes each beneficiary acquired a beneficial interest in the parcel; and
  - (iii) if the Neon Shareholder holds the parcel in its own right – the date (and if that date is the Announcement Date – the time of day) the Neon Shareholder acquired a legal interest in the parcel.

#### **1.4 Acceptance of Offer**

By accepting this Offer, you undertake to transfer to Evoworld not only the Shares to which the Offer relates, but also all Rights attached to the Shares.

#### **1.5 Rounding**

If 30% of the number of Shares held by you is not a whole number, then the number of Shares you will be entitled to sell to Evoworld under the Offer will be rounded down to the nearest whole number.

#### **1.6 Date of Offer**

This Offer is dated 29 October 2014.

### **2. Consideration**

#### **2.1 Consideration offered**

Subject to the terms of this Offer, the consideration offered for each of your Shares to which this Offer relates is 3.5 cents in cash.

### **3. Offer Period**

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer (being 29 October 2014) and ending at 5pm (WST) on the later of:

- (a) 1 December 2014; or
- (b) any date to which the period of this Offer is extended in accordance with the Corporations Act.



Evoworld reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

## **4. How to Accept this Offer**

### **4.1 General**

Subject to section 1.3 of this Annexure, you may only accept this Offer for 30% of your Shares. You may accept the Offer at any time during the Offer Period.

### **4.2 Acceptance procedure**

The acceptance procedure will depend on whether your Shares are in an Issuer Sponsored Holding or a CHESS Holding. If you are in an Issuer Sponsored Holding, you will have a securityholder reference number (**SRN**) beginning with "I". If you are in a CHESS Holding, you will have a holder identification number (**HIN**) beginning with "X".

### **4.3 If you hold your Shares in an Issuer Sponsored Holding**

If your Shares are held on Neon's issuer sponsored subregister, then to accept this Offer in respect of those Shares, you must:

- (a) complete and sign the Acceptance Form which accompanies this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (b) return the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form in accordance with the instructions contained in the Acceptance Form, so that they are received before the end of the Offer Period.

### **4.4 If you hold your Shares in a CHESS Holding**

If your Shares are held in a CHESS Holding, then to accept this Offer in respect of those Shares:

- (a) you must comply with the ASX Settlement Operating Rules;
- (b) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (c) if you are not the Controlling Participant, you may either:
  - (i) instruct your Controlling Participant (normally your stock broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules, such initiation to occur before the end of the Offer Period. If you choose to accept the Offer in this way, your Controlling Participant will be obliged by rule 14.14.1 of the ASX Settlement Operating Rules to initiate acceptance within the following timeframes:
    - (A) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
    - (B) otherwise, by End of Day (as defined in the ASX Settlement Operating Rules) on the day that you instruct the Controlling Participant to accept this

Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or

- (ii) complete, sign and return the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form, in accordance with the instructions contained in the Acceptance Form, in sufficient time so that they can be accepted on your behalf in accordance with section 4.5 of this Annexure before the end of the Offer Period.

#### **4.5 Irrevocable authorisation**

By completing, signing and returning the Acceptance Form in respect of Shares in a CHESS Holding you will be deemed to have irrevocably authorised Evoworld (and any nominee or nominees of Evoworld) to:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules; and
- (b) give any other instructions concerning those Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

regardless of whether Evoworld has issued the consideration due to you under the Offer.

#### **4.6 Shares held in different holdings**

If at any time during the Offer Period your Shares consist of two or more distinct portions, this Offer is deemed to consist of separate corresponding Offers at the same time as if they were a single Offer for each distinct portion of Shares. An acceptance by you of one of the Offers which is deemed to exist in respect of a distinct portion is ineffective unless you have given to Evoworld a notice which:

- (a) if it relates to Shares in a CHESS Holding, must be in an electronic form approved by the ASX Settlement Operating Rules;
- (b) if it relates to Shares in an Issuer Sponsored Holding or registered on Neon's register, must be in writing,

stating that the relevant Shares consist of a distinct portion and your acceptance specifies the number of Shares in a distinct portion to which the acceptance relates.

#### **4.7 Nominee holdings**

If your 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 this Offer.

#### **4.8 Shareholder's risk**

The method chosen to deliver the Acceptance Form and other documents is at your risk.

#### **4.9 Acceptance Form**

The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Shares.

#### **4.10 Power of attorney, deceased estate**

When accepting this Offer, you must also forward:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Shareholder, a certified copy of the relevant grant of probate or letters of administration.

#### **4.11 Signing under power of attorney**

If the Acceptance Form is signed under power of attorney, the attorney will be taken to have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as contemplated by section 4.10 of this Annexure.

#### **4.12 When acceptance is complete**

Acceptance of this Offer will not be complete until the completed Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) has been received at an address set out in the Acceptance Form and the requirements of this section 4 of this Annexure have been met, provided that:

- (a) Evoworld may in its sole discretion waive any or all of those requirements at any time without further communication to you; and
- (b) where such requirements have been complied with in respect of some but not all of your Shares, Evoworld may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Shares for which the requirements have been complied with but not in respect of the remainder.

### **5. Payment of Consideration**

#### **5.1 When consideration is provided**

- (a) Subject to section 5.2 of this Annexure and the Corporations Act, Evoworld will provide the consideration to which you are entitled on acceptance of this Offer on or before the earlier of:
  - (i) one month after the date this Offer is accepted or, if the Offer is subject to a defeating condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; or
  - (ii) 21 days after the end of the Offer Period.
- (a) Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or in the case of Shareholders with addresses outside Australia, by airmail) to your address as shown on the Acceptance Form.

#### **5.2 Where additional documents are required**

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (a) if the documents are given with your acceptance, Evoworld will provide the consideration in accordance with section 5.1 of this Annexure;

- (b) if Evoworld is given the documents after acceptance and before the end of the Offer Period, Evoworld will provide the consideration:
  - (i) if at the time that Evoworld is given the documents the Offer is subject to a defeating condition, by the earlier of one month after this Offer or the contract resulting from your acceptance of the Offer becomes unconditional or 21 days after the end of the Offer Period; or
  - (ii) if the Offer is unconditional at the time that Evoworld is given the documents, by the earlier of one month after Evoworld is given the documents or 21 days after the end of the Offer Period; and
- (c) if the documents are given after acceptance and after the end of the Offer Period, Evoworld will provide the consideration:
  - (i) if at the time that Evoworld is given the documents, the contract resulting from your acceptance of the Offer is subject to a defeating condition that relates only to the happening of an event or circumstance referred to in sections 652C (1) or (2) of the Corporations Act, within 21 days after the contract becomes or is declared unconditional; or
  - (ii) if at the time that Evoworld is given the documents the contract resulting from your acceptance of the Offer is unconditional, within 21 days after Evoworld is given the documents.

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

### **5.3 Where Evoworld is entitled to any Rights**

If Evoworld becomes entitled to any Rights on acceptance of this Offer, you must give Evoworld all documents required to give Evoworld title to those Rights. If you do not give those documents to Evoworld, or if you have received the benefit of those Rights, Evoworld will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Evoworld) of those Rights.

### **5.4 Clearances for offshore residents and others**

If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 (Cth) or otherwise), or of the Australian Taxation Office or any other Government authority, is required for you to receive any consideration under this Offer or you are resident in, or a resident of, a place to which, or you are a person to whom, any other law of Australia would make it unlawful for Evoworld to provide the consideration payable for your Shares, acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained.

## **6. Conditions of the Offer**

### **6.1 Offer conditions**

The Offer and any contract resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- (a) **(director appointments)** before the end of the Offer Period, a majority of the directors on the board of Neon are nominees of Evoworld.
- (b) **(no restraining orders)** that between the Announcement Date and the end of the Offer Period:
  - (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
  - (ii) no application is made to any Public Authority (other than by Evoworld), or action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

  - (iii) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Evoworld in respect of Neon and Shares to be acquired under the Offer; or
  - (iv) requires the divestiture by Evoworld of any Shares, or the divestiture of any assets of the Neon Group, Evoworld or otherwise.
- (c) **(no material adverse effect)** that no specified event occurs that will, or is reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses, revenue or prospects of Neon and its subsidiaries, including as a result of making the Offers or the acquisition of Shares pursuant to the Offers. For these purposes, a "specified event" is:
  - (i) an event or occurrence that occurs during the Offer Period;
  - (ii) an event or occurrence that occurs before the Announcement Date but is only announced or publicly disclosed between the Announcement Date and the end of the Offer Period; or
  - (iii) an event or occurrence that will or is likely to occur following the Offer Period and which has not been publicly announced prior to the Announcement Date.
- (d) **(no material acquisitions, disposals or new commitments)** except for any proposed transaction publicly announced by Neon before or on the Announcement Date, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
  - (i) Neon or any subsidiary of Neon acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than A\$50,000 or makes an announcement in relation to such an acquisition, offer or agreement;
  - (ii) Neon or any subsidiary of Neon disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Neon's statement of financial position as at 31 December 2013) is, in aggregate, greater than A\$50,000 or makes an announcement in relation to such a disposition, offer or agreement; or

- (iii) Neon or any subsidiary of Neon enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Neon and/or its subsidiaries of an amount which is, in aggregate, more than A\$50,000, or makes an announcement in relation to such an entry, offer or agreement.
- (e) **(minimum acceptance)** at or before the end of the Offer Period, Evoworld has received acceptances of at least 50% of the number of Shares the subject of the Offers.
- (f) **(shareholder approval of bid)** the shareholders of Neon (other than Evoworld and its associates) pass, or are deemed to have passed, a resolution to approve the proportional off-market bid by Evoworld in accordance with Neon's constitution.
- (g) **(no persons exercising rights under certain agreements or instruments)** after the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Neon or any subsidiary of Neon is a party, or by or to which Neon or any subsidiary of Neon or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Neon or Neon and its subsidiaries taken as a whole, in:
  - (i) any monies borrowed by Neon or any subsidiary of Neon being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
  - (ii) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
  - (iii) the interest of Neon or any subsidiary of Neon in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
  - (iv) the business of Neon or any subsidiary of Neon with any other person being adversely affected,
 as a result of the acquisition of Shares by Evoworld.
- (h) **(prescribed occurrences during Offer Period)** that during the Offer Period, none of the following events happen:
  - (i) Neon or a subsidiary resolves to reduce its share capital in any way; or
  - (ii) Neon converts all or any of its shares into a larger or smaller number of shares;
  - (iii) Neon or a subsidiary:
    - (A) makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
    - (B) enters into a buy-back agreement;
    - (C) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;

- (D) issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
  - (E) issues, or agrees to issue, convertible notes;
  - (F) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
  - (G) charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (H) resolves to be wound up;
  - (I) has a liquidator or provisional liquidator appointed;
  - (J) has a court make an order for its winding up;
  - (K) has an administrator appointed under sections 436A, 436B or 436C of the Corporations Act;
  - (L) executes a deed of company arrangement; or
  - (M) has a receiver or a receiver and manager appointed in relation to the whole, or a substantial part, of the property of Neon or of a subsidiary.
- (i) **(prescribed occurrences during Period from Announcement Date to Offer Period)** that during the period commencing on the Announcement Date and ending immediately before the commencement of the Offer Period, none of the events described in condition (h) above occur.
- (j) **(access to information)** at all times during the period from the Announcement Date to the end of the Offer Period, Neon promptly (and in any event within 2 Business Days) provides to Evoworld a copy of all information which is not generally available (within the meaning of the Corporations Act) related to Neon or a member of the Neon Group or any of their respective businesses or operations that has been provided by Neon or a member of the Neon Group or any of their respective officers, employees, advisers or agents to any person (other than Evoworld) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a transaction under which:
- (i) any person (together with its Associates) may acquire voting power of 5% or more in Neon or any member of the Neon Group (whether by way of takeover bid, compromise or arrangements under Part 5.1 of the Corporations Act, or otherwise);
  - (ii) any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Neon or any member of the Neon Group; and
  - (iii) that person may otherwise acquire control of or merge or amalgamate with Neon or any member of the Neon Group.
- (k) **(absence of new litigation)** that before the end of the Offer Period, neither Neon nor any subsidiary of Neon is or has become the subject of any litigation which is commenced, is threatened to be commenced, is announced, or is made known to Evoworld (whether or not becoming public), and which may be reasonably be expected to result in a judgment against Neon or any subsidiary of Neon of A\$50,000 or more (after taking into account any reduction

of the judgment which may reasonably be expected by way of set-off or cross claim), other than that which has been publicly announced prior to the Announcement Date.

- (l) **(ASX conditions)** all conditions that ASX imposes (if any) as a pre-requisite to completion of the Offer are fulfilled.
- (m) **(no excessive termination payments)** that there are no contracts, arrangements or understandings that any payment or other benefit will be made or given to any director, secretary or executive officer of Neon or any subsidiary of Neon as compensation for loss of or as consideration for or in connection with his or her retirement from office as a director, secretary or executive officer or any other office in connection with the management of Neon or any subsidiary of Neon which exceed in value the aggregate sum of A\$50,000.
- (n) **(indices fall)** the S&P ASX 200 Index is for any three consecutive days after the date of the Announcement, 10% or more below its respective level as at the close of business on the business day prior to the Announcement Date.
- (o) **(approvals by Public Authorities)** between the Announcement Date and the end of the Offer Period, Evoworld receives all Approvals that are required by law or by any Public Authority or ASIC:
  - (i) to permit the Offers to be made to and accepted by Neon Shareholders in all applicable jurisdictions; or
  - (ii) as a result of the Offers or the successful acquisition of the Shares and which are necessary for the continued operation of the business of Neon and its subsidiaries or of Evoworld and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

- (p) **(no break fees:** that during the period between the Announcement Date and the end of the Offer Period, none of Neon or any member of the Neon Group, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - (i) A takeover offer for Neon or any body corporate which is or becomes a subsidiary of Neon; or
  - (ii) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Neon or any body corporate which is or becomes a subsidiary of Neon, or to operate Neon as a single economic entity with another body corporate,

provided that this condition does not apply to a payment, benefit or arrangement:

- (iii) for providing professional advisory services to Neon;
- (iv) which is approved in writing by Evoworld;
- (v) which is approved by a resolution passed at a general meeting of Neon; or



- (vi) which is made to, provided to, owed by or made with Evoworld.
- (q) **(no force majeure event)** that during the period between the Announcement Date and the end of the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Neon or the relevant subsidiary occurs which has or is likely to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Neon and its subsidiaries taken as a whole or of any of them.
- (r) **(alternative proposals)** Neon does not proceed with any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:
  - (i) any person or persons other than Evoworld acquiring:
    - (A) all or a substantial part of the assets of Neon;
    - (B) a relevant interest in more than 20% of the voting shares of Neon;
    - (C) control of Neon within the meaning of section 50AA of the Corporations Act; or
    - (D) or merging (including by reverse takeover bid) with Neon; or
  - (ii) Neon and another person or persons operating under a dual listed company, or similar structure.

## 6.2 Nature of conditions

Each of the conditions set out in each paragraph and subparagraph of section 6 of this Annexure:

- (a) constitutes and will be construed as a separate, several and distinct condition and each of the conditions will not be taken to limit the meaning and effect of any other condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of a defeating condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act, until three business days after the end of the Offer Period) will be for the benefit of Evoworld alone and may be relied upon only by Evoworld.

## 6.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the conditions subsequent set out in section 6 of this Annexure does not, until the end of the Offer Period, prevent a contract arising to acquire your Shares resulting from your acceptance of this Offer, but if at the end of the Offer Period (or, in the case of a defeating condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act, at the end of three business days after the end of the Offer Period), in respect of any condition in section 6 of this Annexure:

- (a) that condition has not been fulfilled; and
- (b) Evoworld has not declared the Offer (and they have not become) free from that condition,

all contracts resulting from acceptance of this Offer and all acceptances that have not resulted in binding contracts are automatically void. In such a case, Evoworld reserves the right to either destroy or despatch at your risk your Acceptance Form and any other documents forwarded by you, to your address as shown on the Neon register of members, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail. Evoworld will also notify ASX Settlement of the lapse of the Offer in accordance with rule 14.19 of the ASX Settlement Operating Rules.

#### **6.4 Evoworld may decide its Offer is free from all or any of the conditions**

Evoworld may at any time at its sole discretion, but in compliance with section 650F and section 630 of the Corporations Act declare the Offer free from all or any of the conditions set out in each paragraph and subparagraph of section 6 of this Annexure which are capable of being waived by notice in writing to Neon declaring the Offer to be free from the relevant condition:

- (a) in the case of a defeating condition that relates to the happening of a circumstance or event 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 any other case – not later than seven days before the end of the Offer Period.

#### **6.5 Date for giving notice on status of conditions**

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is 21 November 2014, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

### **7. Effect of Acceptance**

#### **7.1 Effect of acceptance**

By accepting this Offer in accordance with section 4 of this Annexure (including where the Offer is caused to be accepted in accordance with the ASX Settlement Operating Rules), you will, or will be deemed to have:

- (a) irrevocably authorised Evoworld (and any director, secretary, nominee or agent of Evoworld) to alter the Acceptance Form on your behalf by:
  - (i) inserting correct details of your Shares;
  - (ii) filling in any blanks remaining on the Acceptance Form; and
  - (iii) rectifying any errors in, and omissions from, the Acceptance Form,

as may be necessary to make the Acceptance Form an effectual acceptance of this Offer and to enable registration of the transfer of 30% of your Shares to Evoworld (or 100% of your Shares if section 1.3 of this Annexure applies);

- (b) accepted this Offer (and any variation of it) and agreed to its terms and conditions, in respect of 30% of your Shares, (together with all Rights attaching to them), regardless of any difference between that number and the number of Shares shown in the Acceptance Form, unless section 1.3 of this Annexure applies in which case you will, or will be deemed to have, accepted this Offer in respect of all of your Shares (such shares being the **Accepted Shares**);

- (c) subject to the Offer being declared free from the conditions set out in section 6 of this Annexure (or those conditions being fulfilled), agreed to transfer 30% of your Shares (together with all Rights attaching to them) to Evoworld unless section 1.3 of this Annexure applies in which case you will, or will be deemed to, have agreed to transfer all of your Shares in accordance with the terms of the Offer;
- (d) represented and warranted to Evoworld:
  - (i) as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Evoworld:
    - (A) you have paid to Neon all amounts which are due for payment in respect of your Accepted Shares;
    - (B) all of your Accepted Shares are fully paid and Evoworld will acquire good title to your Accepted Shares and full beneficial ownership of your Accepted Shares free from all mortgages, charges, liens, encumbrances, interests of third parties of any kind and restrictions on transfer of any kind, whether legal or otherwise; and
    - (C) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your Accepted Shares (together with all Rights attaching to them) to Evoworld;
- (e) with effect from the later of the acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its conditions, irrevocably appointed Evoworld and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Accepted Shares or in exercise of any right or power derived from the holding of your Accepted Shares, including, without limitation, to:
  - (i) attend and vote in respect of your Accepted Shares at any meeting of Neon;
  - (ii) appoint a proxy or proxies to attend and vote on your behalf in respect of your Accepted Shares at any meeting of Neon;
  - (iii) requisition or join with other holders of Shares in requisitioning or convening (or both) a meeting of Neon;
  - (iv) demand a poll for any vote to be taken at any meeting of Neon;
  - (v) propose or second any resolution to be considered at any meeting of Neon;
  - (vi) receive from Neon or any other party, and retain, any share certificates which were held by Neon, or any other party in respect of your Accepted Shares;
  - (vii) sign all documents (including an instrument appointing one of Evoworld's directors as a proxy in respect of any or all of your Accepted Shares and any application to Neon for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Accepted Shares, and generally to exercise all powers and rights which you may have as a Shareholder and perform such actions as may be appropriate in order to vest good title in your Accepted Shares (together with all Rights attaching to them) in Evoworld; and
  - (viii) do all things incidental and ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Evoworld as the intended registered holder and beneficial holder of your Accepted Shares. This appointment is irrevocable and terminates upon registration of a transfer to Evoworld of your Accepted Shares. Evoworld will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this subsection;

- (f) agreed to fully indemnify Evoworld 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 Accepted Shares to Evoworld being registered by Neon without production of your Holder Identification Number or Securityholder Reference Number;
- (g) irrevocably authorised Evoworld (and any nominee or nominees of Evoworld) to notify Neon on your behalf that your place of address for the purpose of serving notices upon you in respect of your Accepted Shares is the address as specified in the notification, and that all such notices are to be marked care of Evoworld and to have directed Neon to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Accepted Shares to Evoworld at that address;
- (h) irrevocably authorised and directed Neon to pay Evoworld, or to account to Evoworld for, all Rights in respect of your Accepted Shares, subject, however, to any such Rights being received by Evoworld being accounted for by Evoworld to you if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (i) irrevocably authorised Evoworld (and any nominee or nominees of Evoworld) to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to transfer your Accepted Shares to Evoworld's Takeover Transferee Holding, regardless of whether Evoworld has at that time paid or provided the consideration due to you under this Offer; and
- (j) agreed, subject to the conditions in section 6 of this Annexure being satisfied or waived, to execute all documents, transfers and assurances and do all such acts matter and things as may be necessary or desirable to convey your Accepted Shares and Rights to Evoworld.

Evoworld may at any time at its discretion deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is not compliance with any one or more of the other requirements for acceptance but, if Evoworld does so, Evoworld is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

## **7.2 Continuing representations and warranties**

The representations, warranties, undertakings and authorities referred to in section 7.1 of this Annexure and this section 7 of this Annexure will (unless otherwise stated) remain in force after you receive the consideration for your Shares and after Evoworld becomes registered as holder of them.

## **8. Acceptances by Transferees and Nominees**

### **8.1 Who may accept the Offer**

During the Offer Period:

- (a) subject to section 1.2 of this Annexure any person who is able to give good title to a parcel of Shares may accept (if they have not already accepted an offer in the form of this Offer for those Shares) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer on the same terms as this Offer had been made in relation to:
  - (i) each of those parcels; and
  - (ii) any parcel they hold in their own right.

## **8.2 Holding Shares**

A person is taken to hold Shares if the person is registered as the holder of those Shares.

## **8.3 Holding Shares on trust or as a nominee**

A person is taken to hold Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Shares; and
- (b) hold their interest in the Shares on trust for, as nominee for, or on account of, that other person.

## **8.4 Effective acceptance**

An acceptance of an Offer pursuant to section 8.1(b) of this Annexure is ineffective unless:

- (a) the person who holds on account of another person, gives Evoworld a notice stating that the Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of Shares in the parcel to which the acceptance relates.

## **8.5 Notice of acceptance**

A notice under section 8.4(a) of this Annexure must be made:

- (a) if it relates to Shares entered on a CHESS subregister – in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise – in writing.

# **9. Other Matters**

## **9.1 Notices and other communications**

Subject to the Corporations Act, a notice or other communication given by Evoworld to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered to your address as recorded on the register of members of Neon; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at that address.

## **9.2 Return of documents**

If:

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

Evoworld reserves the right to either destroy or despatch at your risk your Acceptance Form and any other documents forwarded by you, to your address as shown on the Neon register of members, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail.

## **9.3 Costs and expenses**

All costs and expenses of the preparation, despatch and circulation of the Offer and all stamp duty payable in respect of a transfer of Shares in respect of which Offer are accepted, will be paid by Evoworld. If you hold your Shares through a bank, broker or nominee which charges transaction fees or service charges in connection with your acceptance of the Offer, Evoworld will not pay those fees or charges.

## **9.4 Withdrawal**

Evoworld may withdraw any unaccepted Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

## **9.5 Variation**

Evoworld may vary this Offer in accordance with the Corporations Act at its sole and absolute discretion.

## **9.6 Governing Law**

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.