

ASX Release

30 November 2018

Application for Waiver Granted

On 14 August 2018, the Company announced it had successfully raised \$4.5 million via a placement of convertible loans to strategically support further growth (“Convertible Loans”).

The Board of specialist resources services provider Babylon Pump & Power Limited (“Babylon”), (ASX: BPP, BPPOA), is pleased to advise ASX Limited has subsequently granted a waiver from listing rule 7.3.2 on 29 November 2018 (“Waiver”). The Waiver allows Babylon to issue any conversion shares during the term of the Convertible Loans being, on or before 17 August 2020.

Summary of the Convertible Loans

The key terms of the Convertible Loans are as follows:

- (a) **Face Value:** Each Convertible Loan has a face value of \$1.00 (“Face Value”). The total Face Value of all the Convertible Loans issued by the Company is \$4.5 million.
- (b) **Unsecured:** The Convertible Loans are unsecured.
- (c) **Effective Date:** The Convertible Loans were entered into with each holder on or about 17 August 2018 (“Effective Date”).
- (d) **Maturity Date:** Any outstanding Face Value and accrued interest in respect thereof will mature and become payable in full to the Holder on the date that is 2 years after the Effective Date (“Maturity Date”).
- (e) **Conversion Period:** The conversion period is the period commencing after the date that is 6 months from the Effective Date and ending on the Maturity Date (“Conversion Period”).
- (f) **Conversion Price:** The Convertible Loans may be converted into Shares (“Convertible Shares”) at the lower of:
 - (i) \$0.0225 per Share; and
 - (ii) the price of any equity capital raising by the Company that occurred in the 2 month period prior to the date the Company receives the Conversion Notice, subject to a minimum price of \$0.01 per Share,(“Conversion Price”).
- (g) **Conversion election:** The Convertible Loans will be convertible at the election of the Holder or any subsequent Holder, in whole or in part (if in part, subject to a minimum Face Value of \$50,000), at any time during the Conversion Period into Conversion Shares at the Conversion Price.





- (h) **Conversion Notice:** A Holder or any subsequent Holder must make a conversion election by giving written notice to the Company specifying the Face Value amount of the Convertible Loans being converted.
- (i) **Shareholder Approval:** Shareholder approval for the conversion of the Convertible Loans was obtained on 26 November 2018 at Babylon’s annual general meeting.

Terms of the Waiver

- (a) The Convertible Shares will be issued no later than 17 August 2020.
- (b) If the Company releases its annual report during a period in which the Convertible Shares are issued or remain to be issued, the annual report discloses details of the Convertible Shares that have been issued and the terms of the Convertible Loans.
- (c) The terms of the Waiver are immediately disclosed to the market and in the notice of meeting (“Notice”).
- (d) The Notice contains a summary of the material terms of the Convertible Loans.

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