

Blossomvale Holdings Ltd

(previously Neptune Marine Services Limited)

ACN 105 665 843

(Company)

Notice of General Meeting Explanatory Memorandum and Proxy Form

10 am (AWST)

6 April 2020

At Level 20, 1 William Street, Perth WA, 6000

This Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9388 8290.

Business of the General Meeting

Resolution 1 – Approval for a special dividend distribution

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of section 91.1 of the Company's constitution and for all other purposes, approval is given for the capital of the Company to be reduced by the Company making a pro rata in-specie special dividend distribution of up to the total amount of the profit appropriation reserve that the Company has as at the Record Date, to all holders of Company Shares on the Record Date (rounded down to the nearest whole MMA Share) with the consequence that each Shareholder on the Record Date shall be deemed to have consented to becoming an MMA Shareholder and being bound by its constitution, on the terms and conditions set out in the Explanatory Memorandum."

Resolution 2 – Approval for an equal reduction of capital and in-specie distribution

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to the approval of Resolution 1, for the purposes of section 256B and 256C(1) of the Corporations Act and for all other purposes, approval is given for the capital of the Company to be reduced by the Company making a pro rata in-specie distribution of the balance of MMA Shares held by the Company as at the Record Date after the special dividend distribution of MMA Shares has been carried out, to all holders of Company Shares on the Record Date (rounded down to the nearest whole MMA Share) with the consequence that each Shareholder on the Record Date shall be deemed to have consented to becoming an MMA Shareholder and being bound by its constitution, on the terms and conditions set out in the Explanatory Memorandum."

Time and place of Meeting and how to vote

Time and place of Meeting

Notice is given that a General Meeting of Shareholders of Blossomvale Holdings Limited (previously Neptune Marine Services Limited) (**Blossomvale** or the **Company**) will be held at 10am AWST on 6 April 2020 at Level 20, 1 William Street, Perth, WA, 6000.

Your vote is important

The business of the General Meeting affects your shareholding and your vote is important.

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and Proxy Form each form part of this Notice of Meeting.

Defined terms and glossary

Capitalised terms and certain abbreviations used in this Notice of Meeting, Explanatory Memorandum and Proxy Form have the defined meanings set out in the Glossary.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5 pm AWST on 4 April 2020 (**Voting Eligibility Date**).

Voting in person

To vote in person, attend the General Meeting at the time, place and date set out above.

Voting by proxy

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- a) each Shareholder has a right to appoint a proxy;
- b) the proxy need not be a Shareholder; and
- c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- a) if proxy holders vote, they must cast all directed proxies as directed; and
- b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

- a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's Shareholders; and
- b) the appointed proxy is not the chair of the meeting; and
- c) at the meeting, a poll is duly demanded on the resolution; and

either of the following applies:

- a) the proxy is not recorded as attending the meeting;
- b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Undirected votes

Subject to any voting restrictions set out in a voting exclusion statement in respect of the Resolutions, the Chairperson will vote undirected proxies on, and in favour of, each Resolution.

To be valid, your proxy form (and any power of attorney under which it is signed) must be completed and returned by the time and in accordance with the instructions set out in the Proxy Form. Any proxy form received after that time will not be valid for the scheduled meeting.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 8 9388 8290 if they have any queries in respect of the matters set out in this Notice of Meeting or the accompanying Explanatory Memorandum.

Dated: 3 March 2020

The ASX takes no responsibility for the contents of this Notice of Meeting.

By order of the Board



Ian Hobson
Company Secretary

Explanatory Memorandum

1 Introduction

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the General Meeting. This Explanatory Memorandum is required pursuant to various regulatory and ASX requirements.

The Board recommends Shareholders read this Explanatory Memorandum carefully and in full before making any decision in relation to the Resolutions. If you do not understand this Explanatory Memorandum or are in any doubt about the action to be taken, you should consult your independent professional advisor immediately.

It is important that you either attend the Meeting personally or complete and lodge the Proxy Form attached to this Notice of Meeting.

The following information should be noted in respect of the matters contained in the accompanying Notice.

2 Forward looking statements

Some of the statements appearing in this Explanatory Memorandum may be in the nature of forward looking statements.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of the Company, any of its officers or any person named in this Explanatory Memorandum or involved in the preparation of this Explanatory Memorandum make any representation or warranty (either 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, and Shareholders and other persons are cautioned not to place undue reliance on those statements.

The forward looking statements in this Explanatory Memorandum reflect views held only as at the date of this Explanatory Memorandum. The Company has no obligation to disseminate after the date of this Explanatory Memorandum any updates or revisions to any such statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so under the Corporations Act or under the ASX Listing Rules.

3 No financial products advice

This document is not financial product or investment advice nor is it a recommendation in respect of the MMA Shares nor the Company's Shares. It has been prepared without taking into account the objectives, financial situation or needs of individual Shareholders or other persons. Before deciding how to vote or act Shareholders and others should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek independent legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

The Company is not licensed to provide financial product advice in respect of the MMA Shares nor the Company's Shares.

4 No other material information

Except as set out in this Explanatory Memorandum, in the opinion of the Directors, there is no other information material to the making of a decision on how to vote in relation to the Resolutions, being information that is within the knowledge of any Director or of any related body corporate of the Company which has not been previously disclosed to Shareholders.

The Company will issue a supplementary document to this Explanatory Memorandum if it becomes aware of any of the following between the date that this Explanatory Memorandum is lodged with ASIC and provided to ASX, and the date on which the General Meeting is held:

- a) a material statement in this Explanatory Memorandum is false or misleading in a material aspect;
- b) a material omission from this Explanatory Memorandum;
- c) a significant change affecting a matter included in this Explanatory Memorandum; or
- d) a significant new matter has arisen and it would have been required to be included in this Explanatory Memorandum if it had arisen before the date this Explanatory Memorandum is lodged with ASIC and provided to ASX.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by:

- a) making an announcement to ASX;
- b) placing an advertisement in daily newspapers (as defined in the Corporations Act) ordinarily published in Australia;
- c) posting the supplementary document to Shareholders at their registered address as shown on the Company's register of Shareholders; or
- d) posting a statement on the Company's corporate website,

as the Company in its sole and absolute discretion considers appropriate.

5 ASIC Relief

Resolution 1

The Corporations Act will restrict the Company from issuing an invitation to Shareholders to vote on Resolution 1 in relation to the proposed pro rata in-specie special dividend distribution of up to the total amount of the profit appropriation reserve that the Company has as at the Record Date (**Dividend Distribution**), without the Company issuing a prospectus under Chapter 6D of the Corporations Act. In addition, the on-sale restrictions set out in the Corporations Act will restrict Shareholders from on-selling their MMA Shares issued under the Dividend Distribution within the first 12 months after the date on which the MMA Shares are issued.

Resolution 2

The Corporations Act restricts the Company from issuing an invitation to Shareholders to vote on Resolution 2 in relation to the proposed in-specie distribution of the MMA Shares (**Share Distribution**) without the Company issuing a prospectus under Chapter 6D of the Corporations Act. In addition, the Corporations Act restricts Shareholders from on-selling their MMA Shares issued (without a prospectus) under the Share Distribution within the first 12 months after the date on which the MMA Shares are issued.

On 4 March 2020 ASIC granted the Company relief from these disclosure and on-sale restrictions under an Exemption and Declaration in accordance with subsection 741(1) of the Corporations Act (**ASIC Relief**). The effect of the ASIC Relief is that the Company may issue the Notice (and this accompanying Explanatory Memorandum) and include:

- a) Resolution 1 and implement the Dividend Distribution without issuing a prospectus and Shareholders will not be subject to the 12 month on-sale restrictions in respect of the MMA Shares issued to them as part of the Dividend Distribution; and
- b) Resolution 2 and implement the Share Distribution without issuing a prospectus and Shareholders will not be subject to the 12 month on-sale restrictions in respect of the MMA Shares issued to them as part of the Share Distribution.

Therefore, Shareholders who receive any MMA Shares under either of the Dividend Distribution or the Share Distribution will be free to transfer/sell their MMA Shares at any time after they are issued should Shareholders wish to do so.

In accordance with the requirements of the ASIC Relief, the Company confirms that the Notice of Meeting (and this accompanying Explanatory Memorandum) is in substantially the same form as the draft Notice of Meeting which was provided to ASIC accompanying the Company's application for relief under RG 188.

6 STATUTORY REQUIREMENTS

Each Resolution must be approved by a simple majority of votes cast by or on behalf of Shareholders on each Resolution in order for it to be passed.

Dividend Distribution

In accordance with section 254T of the Corporations Act, the Board is of the opinion that:

- a) the Company's assets exceed its liabilities immediately before the Dividend is declared and the excess is sufficient for the payment of the Dividend;
- b) the payment of the Dividend Distribution to Shareholders is fair and reasonable to Shareholders as a whole because they are all treated in the same manner given that the Dividend Distribution is on a pro rata basis; and
- c) the payment of the Dividend Distribution does not materially prejudice the Company's ability to pay its creditors and will not result in the Company being insolvent at the time of or after the Dividend Distribution.

Pursuant to section 254W of the Corporations Act and the Constitution, the distribution of the special dividend will be made on a pro rata basis to all qualifying Shareholders as at the Record Date.

Share Distribution

The reduction of capital by way of an in-specie distribution of MMA Shares to Shareholders is a technical equal capital reduction under the Corporations Act. Pursuant to section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of the Company.

In accordance with section 256B of the Corporations Act, the Company may only reduce its share capital if the reduction:

- a) is fair and reasonable to the Shareholders as a whole; and
- b) does not materially prejudice the Company's ability to pay its creditors; and
- c) is approved by Shareholders under section 256C of the Corporations Act.

In addition, the Company must give Shareholders all information known to the Company that is material to the decision on how to vote on the Resolutions.

The proposed capital reduction is an equal reduction because it only relates to MMA Shares applicable to each Shareholder in proportion to the number of Shares held (as at the Record Date) and the terms of the reduction are the same for each holder of ordinary Shares. An ordinary resolution is therefore necessary to approve the proposed equal reduction of capital (i.e. the Share Distribution), under section 256C of the Corporations Act.

The Board considers that the Share Distribution is fair and reasonable to Shareholders as a whole because they are all treated in the same manner given that the distribution of the MMA Shares is on a pro rata basis. The Directors consider that the Share Distribution does not materially prejudice the Company's ability to pay its creditors and will not result in the Company being insolvent at the time of or after the Share Distribution. The return of capital will not involve the payment by the Company of any cash amounts.

Distributions

The disadvantages and advantages of each Distribution are discussed in sections 12 and 13 below in more detail.

7 TAX

Overview of the Distributions

The Distributions are by way of a combination of the:

- a) Dividend Distribution: a special in-specie dividend in the form of MMA Shares to be distributed up to the amount of profit appropriation reserve that the Company has as at the Record Date; and
- b) Share Distribution: the distribution of the balance of the MMA Shares held by the Company following the Dividend Distribution,

each to be distributed to Qualifying Shareholders in proportion to the number of Shares held by each Qualifying Shareholder as at the Record Date.

General tax implications

Tax Consequences of the Dividend Shares

The Dividend Shares will be special dividends and will be fully franked as the Company has sufficient franking credits available.

Tax Consequences of the capital reduction

In relation to the Share Distribution, the Company is seeking a private ruling from the Australian Taxation Office (**ATO**) that the capital reduction resulting from the Share Distribution be treated as a return of capital to Shareholders for taxation purposes (as opposed to a dividend) and that the Commissioner will not make a determination under section 45B that section 45C of the Income Tax Assessment Act 1936 (ITAA 1936) applies in relation to the Share Distribution (**Private Ruling**). In the event that a favourable Private Ruling is not granted, then tax **may be** payable by Shareholders on such MMA Shares as are issued to them under Resolution 2. If the Private Ruling is not granted then the distribution of MMA Shares to Shareholders may be treated as a dividend for tax purposes, as opposed to a return of capital, which may have different tax consequences for individual Shareholders. Regardless of whether or not the Private Ruling is granted, the Company may still proceed with the proposed Share Distribution as set out in this document.

The Private Ruling, if granted, may not be applicable to certain Shareholders in preparing their income tax returns and tax consequences for Shareholders in respect to the Share Distribution may vary depending upon that Shareholder's specific circumstances. The information provided below is a general guide only and **does not constitute tax advice** (and does not deal with any

tax consequences for non-Australian tax resident Shareholders. It also does not address any tax consequences that may arise as the result of any other distributions other than the proposed Share Distribution).

General tax outline for Shareholders if Private Ruling is obtained

The following is a general outline of the Australian income tax consequences that **may arise** for Australian Tax Resident Shareholders with respect to the return of capital (under the proposed Share Distribution) provided that the above Private Ruling is obtained. The following outline only applies to Shareholders who hold their Shares on capital account. The Private Ruling (and the outline below) would not apply to Shareholders who hold their Shares as 'revenue assets' or as 'trading stock'. The return of capital received by these Shareholders (under the proposed Share Distribution) will be taxed under separate provisions of the Australian income tax laws.

For the applicable Shareholders who may be able to rely on the Private Ruling:

- a) no part of the proposed Share Distribution should be treated as a 'dividend' for Australian income tax purposes;
- b) the Commissioner will not make a determination under section 45B that section 45C of the ITAA 1936 applies in relation to the Share Distribution;
- c) in relation to Shareholders who hold their Shares at the Share Distribution's record date and continue to hold at the Share Distribution payment date, a capital gain may result depending on the individual Shareholder's cost base for the Shares; and
- d) in relation to Shareholders who hold their Shares at the Share Distribution's record date but ceased to hold the Shares before the Share Distribution payment date, a capital gain will result from the Share Distribution (assuming the right to receive the Share Distribution has a nil cost base).

The above is only a general outline for certain classes of Shareholders if a Private Ruling is obtained and is not the final ruling from the ATO and therefore not binding. The Company will make an announcement once the ATO provides its response to the Private Ruling application as soon as it becomes available.

Shareholders are advised to seek their own financial and taxation advice in relation to the Distributions taking into account their individual taxation circumstances and the Company nor any of its officers, employees or advisors assumes any liability or responsibility for the tax consequences of the proposed Distributions.

8 Background to the Resolutions

Transaction

As announced by Blossomvale Holdings Limited (then still Neptune Marine Services) on 24 July 2019, the Company entered into a binding share purchase agreement dated 23 July 2019 (**Agreement**) for the sale of its business to MMA Offshore Limited or its nominated subsidiary or subsidiaries (**Buyer or MMA**) (**Transaction**). The Transaction was approved by Shareholders at a general meeting held on 21 October 2019 (**First General Meeting**), and at this meeting Shareholders also approved the change of the Company name to Blossomvale Holdings Limited (also a requirement under the Agreement) (**Blossomvale Shareholder Approval**). The Transaction is for the sale of all Sale Shares (comprising all of the shares in the Company's key operating subsidiaries), and represents a sale by the Company of the main assets and undertakings of its business (**Business**) to the Buyer.

Consideration

The value of the purchase consideration paid to Blossomvale for the Transaction is \$18,531,000 million which comprises a payment of \$5.0 million in cash (**Cash Consideration**)

and the balance in the form of 67,655,000 MMA fully paid ordinary shares (**MMA Shares**) to the value of \$13,531,000 million. The value of the MMA Shares was calculated in accordance with the Agreement. The Buyer recorded an NTA per share of A\$0.35 and posted an EBITDA of A\$27.8 million¹ for its year ended 30 June 2019. An issue price of A\$0.20 which was used in computing the MMA Shares represents a discount of 43% to the NTA as at 30 June 2019. Please refer to section 20 for further information on the Buyer.

First General Meeting

The explanatory memorandum sent to Shareholders in respect of the First General Meeting set out the Company's intention (subject to Shareholder approval being obtained for the Transaction) to distribute the MMA Shares by way of an in-specie distribution effected by way of a capital reduction (i.e. the Share Distribution), Shareholders approved the Transaction (and by extension approved the Share Distribution) at the First General Meeting. This second General Meeting is being called to give effect to the Share Distribution and the Dividend Distribution.

Next steps

It is the current intention of the Board to call a third and final general meeting (after the end of the Retention Period) when, in the absence of an alternate proposal, Shareholders will vote on the pro rata distribution of the Cash Consideration and the balance of additional cash on hand (after the costs associated with the Transaction, amounts owing to creditors and working capital costs for the period up to winding up and delisting of the Company are deducted), the Company being de-listed and wound up as soon as practicable after such distributions have been made (**Third General Meeting**).

9 Reasons for Resolutions

Resolution 1

Resolution 1 seeks approval from Shareholders, in accordance with the Constitution and for all other purposes, for the Company to issue a special in-specie dividend to be distributed pro-rata to all qualifying Shareholders as at the Record Date by way of a return of capital, such distribution to be accompanied by a fully franked credit. Resolution 1 is an ordinary resolution.

**If Shareholder approval for Resolution 1 is not obtained at the General Meeting
the Dividend Distribution will not proceed.**

Resolution 2

Resolution 2 seeks approval from Shareholders, pursuant to section 256B and 256C(1) of the Corporations Act and for all other purposes, for the capital of the Company to be reduced by the Company making a pro rata in-specie distribution of the remaining amount of MMA Shares (after

¹ Based on MMA's publicly available full-year results.

effect has been given to the Dividend Distribution) to all holders of Company Shares on the Record Date. Resolution 2 is an ordinary resolution.

If Shareholder approval for Resolution 2 is not obtained at the General Meeting the Share Distribution will not proceed.

10 INTENTION IF DISTRIBUTIONS PROCEED

Resolution 1

Subject to receipt of necessary Shareholder approval for Resolution 1 and subject to applicable law and regulatory requirements, the Board will authorise the Company to distribute to Qualifying Shareholders the Dividend Distribution as soon as practicable after the General Meeting.

Resolution 2

Subject to receipt of necessary Shareholder approval for Resolution 2 and subject to applicable law and regulatory requirements, the Board will authorise the Company to distribute to Qualifying Shareholders the Share Distribution (i.e. the balance of the MMA Shares) (after the Dividend Distribution has been carried out) pro rata to Shareholders by way of an in-specie distribution conducted by equal capital reduction, as soon as practicable after the General Meeting.

It is the Board's current intention that, subject to receipt of necessary Shareholder approvals and subject to applicable law and regulatory requirements:

- following the end of the Retention Period, the Third General Meeting (and final general meeting of Shareholders) will be called to approve (as soon as practicable):
 - the distribution of the Cash Consideration pro rata to Shareholders;
 - the distribution of any remaining cash on hand (after amounts owing to creditors, working capital and/or regulatory costs) pro rata to Shareholders; and
 - the delisting and deregistration of the Company.

The Third General Meeting (and associated approvals) will be subject to the Resolutions being approved, Blossomvale will continue to update Shareholders as and when practicable.

Blossomvale understands that ASX's usual policy will allow trading in Blossomvale's securities to continue for a period of up to six months following Completion (in the absence of some other reason to suspend trading), to allow Blossomvale time to complete the formalities of such pro rata distribution and subsequent de-listing and winding-up of the Company). Following this, the ASX would usually be expected to suspend trading in Blossomvale's securities until Blossomvale makes an announcement acceptable to the ASX about its future activities.

11 INTENTION IF DISTRIBUTIONS ARE NOT APPROVED

If the Resolutions are not passed, then the Blossomvale Board will not distribute any MMA Shares to Shareholders and these will be retained in the Company until such time as the Third General Meeting is held when Shareholder approval will be sought for the return of all cash and assets held by the Company to Shareholders.

Should the Resolutions not be approved then the Blossomvale Board will have to decide whether to proceed with its current intention to delist and deregister the Company (with a distribution of all cash and assets held by the Company to Shareholders). Because, Completion has already occurred, then the Company will, in effect, be left with no assets other than the MMA Shares and the Cash Consideration, therefore the option of the Company continuing ongoing projects and operations is not tenable.

Under the terms of the Share Purchase Agreement, if the MMA Shares are not distributed to Shareholders by way of an in-specie pro rata distribution then the MMA Shares cannot be sold by the Company for a period of 12 months. This means that the Company would be exposed to market volatility in respect of the MMA Shares during that 12 month period, with no ability to exit its position.

12 ADVANTAGES OF DISTRIBUTIONS

The advantages for Shareholders in approving the Distributions include:

- Allowing the Company to carry out the Transaction (specifically, the post Completion matters in respect of the Distributions) in accordance with the Shareholder approval already obtained in respect of the Transaction (and the subsequent Distributions) at the First General Meeting.
- Allowing the Company to return a fully franked credit to Shareholders alongside the MMA Shares which will be distributed to Shareholders as part of the Dividend Distribution.
- Shareholders being able to decide independently whether they wish to continue to have exposure to the combined business through their (direct) shareholding in MMA.
- Shareholders being able to decide independently to sell their (direct) interest in MMA to unlock liquidity.
- Shareholders not being subject to the same restrictions that would otherwise apply to Blossomvale in terms of not being able to sell the MMA Shares for a period of 12 months post Completion.
- That direct ownership of the MMA Shares will be a more cost effective ownership structure than via BLV holding such shares on behalf of Shareholders.

13 DISADVANTAGES OF DISTRIBUTIONS

The disadvantages for Shareholders in approving the Distributions include:

- By allowing the Company to carry out the Distributions, the Company will, in effect, be divesting itself of approximately half of its asset base (the other half being comprised of the Cash Consideration and cash on hand).
- Shareholders will be directly exposed to an investment in shares in another entity (i.e. MMA), and therefore, will have exposure to the risks of that business. This risk must be read in the context of Shareholders already having indirect exposure through their investment in BLV.
- Secondary trading in the Shares may reduce as a result of the Distributions, in effect, making the Shares less attractive to potential new investors.

14 PROPOSED RETURN OF CAPITAL

Calculation of returns

The Company intends to return to each registered holder of Shares under each Distribution, 1.1 MMA Shares for every 1 Share held by the holder on the Record Date, representing a return of capital of approximately \$12.2 million on the basis of MMA Share price being A\$0.18.

Treatment of fractions

Where the Distributions to a Shareholder results in an entitlement for that Shareholder of a fraction of an MMA Share, such fraction will be rounded down to the nearest whole number of MMA Shares.

Where Directors form the opinion that shareholdings have been split or aggregated in order to obtain a benefit of such rounding, such transfer of Shares and aggregated parcels of Shares may be disregarded for the purposes of such rounding.

15 INDICATIVE TIMETABLE

The table below sets out an indicative timetable for the Distributions. Shareholders should note that the timetable is subject to change due to factors both within and beyond the control of Blossomvale.

Event	Indicative timeframe
Blossomvale Shareholder Approval for the Transaction	21 October 2019
Restructure	Complete
Completion under the Agreement	7 November 2019
Blossomvale Shareholder approval for the Distributions (Second General Meeting)	6 April 2020
Date of lodgement of Appendix 3A	6 April 2020
Effective date	6 April 2020
Trading in Shares on an “ex return of capital” basis	9 April 2020
Record Date	14 April 2020
Allotment date of Dividend Distribution	17 April 2020
Allotment date of Share Distribution	17 April 2020
End of Retention Period - Cash Consideration released	8 May 2020
Third General Meeting	As soon as practicable
Cash Consideration distributed pro rata to Shareholders	As soon as practicable after Third General Meeting

Event	Indicative timeframe
Any remaining cash (after amounts owing to creditors, working capital and/or regulatory costs) will be distributed pro rata to Shareholders	As soon as practicable after Third General Meeting
Deregistration and delisting of the Company to occur as soon as practicable after distribution of the MMA Shares and Cash Consideration to Shareholders	As soon as practicable after Third General Meeting

16 TRADING IN SHARES

Trading in Shares will commence on an “ex return of capital basis” on 9 April 2020 which is the second Business Day after the meeting of the Shareholders has approved the return of capital.

17 FINANCIAL EFFECT OF THE DISTRIBUTIONS AND PRO FORMA BALANCE SHEET

The effect of the Distributions on the key metrics from the Company’s Consolidated Statement of Financial Position are shown below²:

Category	Before Distributions ³	Distributions ⁴	After Distributions
	\$'million	\$000	\$000
Total Assets	34.9	(12.2)	22.7
Net Assets/ Total Equity	23.9	(12.2)	11.7

The Distributions will have no effect on the Company’s Consolidated Income Statement.

18 EFFECT ON SHAREHOLDERS

The Distributions will have no effect on the number of Shares held by Shareholders or on their proportionate interests in the total share capital of the Company. However, secondary trading in the Shares may reduce as a result of the Distributions, in effect, making the Shares less attractive to potential new investors.

The Company has no partly paid shares on issue and no convertible securities on issue as at the date of this Explanatory Memorandum.

² The financial effects set out in the table above are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position after Completion of the Proposed Distribution. The amounts in this table are based on the Company’s unaudited consolidated financial statements as at 31 December 2019 and show the effect of the Transaction as if Distribution had occurred on that date and ignoring the effect of any revaluation of MMA Shares that may be required prior to Distributions.

³ Based on the Company’s Consolidated Statement of Financial Position as at 31 December 2019 (unaudited).

⁴ For the purposes of this illustration, the Distributions amount is based on the MMA Share price as at 31 December 2019.

Once the MMA Shares are issued to Shareholders (in accordance with the indicative timetable) then Shareholders will be able to freely trade such MMA Shares on the ASX.

19 EFFECT ON COMPANY'S CAPITAL STRUCTURE

The Distributions will have no effect on the total number of Shares on issue.

20 ABOUT MMA

The information below has been obtained from publicly available information. Neither Blossomvale nor any of its directors has independently verified such information.

Overview

MMA specialises in providing marine solutions and expertise to the offshore oil and gas industry. Established in 1989 and listed on the ASX in 1999, MMA is one of the largest marine services providers in the Asia Pacific Region.

MMA employs over 800 people including onshore personnel and a pool of qualified seafarers and offshore marine personnel. MMA owns and operates a fleet of approximately 30 offshore vessels capable of supporting a range of marine and subsea projects.

MMA's key regions of operation are Australia, South East Asia, India, Africa, the Middle East and the UK and MMA's head office is located in Fremantle, Western Australia. It's international headquarters is located in Singapore.

MMA Board

The Board of MMA comprises:

Mr Andrew Edwards (Chairman - appointed Director in December 2009 and Chairman in October 2017)

- Andrew is a former Managing Partner of PriceWaterhouseCooper's Perth Office, a former National Vice President of the Securities Institute of Australia (now the Financial Services Institute of Australasia) and a former President of the WA division. He is a Fellow of the Australian Institute of Company Directors (AICD) and a Fellow of the Chartered Accountants Australia and New Zealand.
- Andrew currently serves as Non-Executive Chairman of MACA Ltd. He previously served as a Non-Executive Director of Nido Petroleum (delisted 26 June 2017), resigning in December 2018.

Ms Eve Howell (Non-Executive Director – appointed February 2012)

- Eve has over 40 years of experience in the oil and gas industry in a number of technical and managerial roles.
- Eve is currently a Non-Executive Director of Buru Energy Ltd and is a senior adviser to African Geopolitics.
- Eve is a former Executive VP for Woodside Energy Ltd responsible for Health, Safety & Security and before that, the North West Shelf Project. Prior to that, Eve was Managing Director at Apache Energy Ltd. She has previously served on a number of Boards, including Downer EDI Ltd, Tangiers Petroleum Limited, EMR Resources Pty Ltd, the Fremantle Port Authority and APPEA.
- Eve holds a Bachelor of Science (with Honours in Geology and Mathematics) from the University of London and an MBA from Edinburgh Business School and is a graduate of the AICD.

Mr Chiang Gnee Heng (Non-Executive Director - appointed July 2012)

- Chiang Gnee graduated as a Marine Engineer from the University of Newcastle (UK) and spent almost 30 years working in Singapore government linked companies and in various industries including shipyards, ordnance equipment manufacturing, aircraft engine component manufacturing and environment management.
- Chiang Gnee obtained a Masters in Management from the Sloan School of Management at MIT (USA) in 1990 and was formerly the CEO of Sembawang Shipyard for 10 years and of Sembcorp Environment Management Pte Ltd for two years. Chiang Gnee was also formerly an Executive Director of the Singapore Maritime Institute which focuses on the development of the Singapore maritime industry.
- Chiang Gnee is also a Director of MMA Offshore Asia Pte Ltd (Singapore) and all of its subsidiaries/related companies in Singapore, Malaysia and Indonesia.

Mr Peter Kennan (Non-Executive Director - appointed September 2017)

- Peter is currently Managing Partner and CIO of Black Crane Capital (**BCC**).
- The Black Crane Asia Pacific Opportunities Fund, managed by BCC, is a major shareholder of MMA. Peter established BCC in 2009. Prior to that, he was the Head of Asian Industrials Group for UBS Asia, a corporate finance sector team covering energy, infrastructure, resources, consumer/retail and general industrial companies.
- Peter was also the Head of Telecoms and Media sector team for UBS Australia specialising in M&A, and prior to UBS, Peter spent seven years with BP in a variety of engineering and commercial roles.

Mr Ian MacIver (Non-Executive Director – appointed January 2020)

- Ian is currently the Executive Chairman of Grange Consulting and Grange Capital Partners (**Grange**).
- Prior to establishing Grange, Ian held positions over nine years in a general manager or executive director position for various listed and corporate advisory companies.
- Ian is currently Chairman of Western Areas Limited and a Non-Executive Director of Sheffield Resources Limited. Ian was previously a Non-Executive Director of Otto Energy Limited and Mount Gibson Iron Limited.
- Ian holds a Bachelor of Commerce from the University of Western Australia and a Post Graduate Diploma from the Securities Institute of Australia.

Mr David Ross (Managing Director – appointed January 2020)

- David started his career in vessel maintenance before commencing a seagoing career progressing from Junior Engineer to 1st Engineer.
- David moved into a shoreside position with BHP Transport, Melbourne, working initially as Ship Operations Officer. He progressed through the company as Ship Manager for cape and panamax size vessels; Senior Chartering Officer; and Scheduling & Operations Manager. In 2001, David moved to the Netherlands with BHP Billiton – Freight Trading Group as Operations Manager and then Commercial Manager.
- In July 2005, David joined MMA as the General Manager Operations. In 2009, he accepted the position of Chief Operating Officer.
- After being promoted to the role of Deputy Chief Executive Officer in November 2018, he was promoted to the role of Chief Executive Officer in July 2019. David was appointed Managing Director of the Company with effect from 13 January 2020.
- Following this appointment, David now holds the combined role of Managing Director and Chief Executive Officer of the MMA Group. He is also the Executive Director of MMA's Singaporean, Malaysian, Indonesian, UK and US subsidiaries.

MMA CAPITAL STRUCTURE

As at the date of this notice of meeting, MMA had 925,732,084 fully paid ordinary shares on issue and 13,207,075 employee performance/share rights on issue. Share trading volumes and prices over the 6 months prior to the date of this notice of meeting are set out in the below table for illustrative purposes only.



21 RELEVANT TERMS OF THE SHARE PURCHASE AGREEMENT

The key terms of the Agreement for the purpose of Shareholders considering Resolution 2 are summarised below.

Consideration

The Consideration (paid at Completion), was \$18,531,000 million and comprised a payment of \$5.0 million in Cash Consideration and the balance in the form of newly issued MMA Shares, with a value of \$13,531,000 million which was calculated with an issue price of \$0.20 per share (under the Agreement if MMA's VWAP was less than or equal to \$0.25 then the issue price of the MMA Shares would be the higher of \$0.20 and the VWAP).

The Company will bear any duty payable on the Transaction and the Buyer will pay any duty payable on the Restructure (save in circumstances where the Buyer is entitled to be indemnified for any duty payable pursuant to the "Excluded Liabilities Indemnity", as defined in the Agreement).

Escrow

The Cash Consideration has been released from the escrow account held by Rajah & Tann Singapore LLP (as **Escrow Agent**) in accordance with the escrow agreement entered into between the Company, MMA and the Escrow Agent (**Escrow Agreement**) as an upfront refundable deposit.

Restrictions on the Consideration post-Completion

Pursuant to the Agreement:

- Blossomvale must maintain a \$5 million cash balance (that is, an amount equal to the Cash Consideration) for a period of 6 months after Completion; and
- Blossomvale must not dispose of any MMA Shares for a period of 12 months following Completion *except* by way of an in-specie distribution of the MMA Shares to all

Shareholders (that is conducted in accordance with the Corporations Act, the ASX Listing Rules and all other applicable laws).

Restructure

Under the Transaction, the Buyer acquired the Sale Shares, comprising all of the shares of the key operating subsidiaries of Blossomvale. In order to ensure that such operating subsidiaries effectively comprised the entire operating business (and property, rights and assets) of Blossomvale, the Company was obliged to carry out a Restructure prior to Completion in accordance with the terms of the Agreement. This Restructure was completed as required.

22 DIRECTORS' RECOMMENDATION

Blossomvale has been informed that Blossomvale Investments Pte Ltd, the Company's ~87% (and therefore largest) Shareholder, intends to vote in favour of the Resolutions at the General Meeting, in the absence of a superior proposal.

<p>The Directors of Blossomvale unanimously recommend that Shareholders vote in favour of each Resolution, in the absence of a superior proposal.</p>
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23 MMA NOT RESPONSIBLE FOR THIS NOTICE OF MEETING

To avoid any doubt, Shareholders are advised that:

- none of MMA, or any of MMA's related bodies corporate or their respective directors:
 - has authorised or caused the issue of this Notice of Meeting; or
 - makes or purports to make any statement in this Notice of Meeting or statement on which a statement in this Notice of Meeting is based; and
- MMA, its MMA's related bodies corporate and their respective directors specifically disclaim all liability in respect of, make no representation regarding, and take no responsibility for any part of, this Notice of Meeting.

MMA has consented to the references to it in this Notice of Meeting, in the form and context in which they appear.

MMA is a listed disclosing entity for the purposes of the Corporations Act and is admitted to the official list of ASX. As such, MMA is subject to regular reporting and disclosure obligations. Specifically, as an ASX-listed company, MMA is subject to the ASX Listing Rules which require continuous disclosure of any information MMA becomes aware of concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, as well as periodic disclosure in accordance with both the Corporations Act and ASX Listing Rules.

Announcements that MMA has released to ASX are available from ASX's website (www.asx.com, ASX Code: MRM) and on MMA's website (www.mmaoffshore.com). In addition, MMA is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by MMA may generally be obtained from a search of ASIC's records.

Glossary

In this document the following definitions apply:

\$	means Australian dollars.
Agreement	means the Share Purchase Agreement entered into by Neptune Marine Services Limited (now Blossomvale Holdings Limited) and MMA Offshore Limited on 23 July 2019.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the Listing Rules of ASX.
ATO	means the Australian Tax Office.
AWST	means Australian Western Standard Time.
Board	means the board of directors of the Company.
Business	means the main assets and undertakings of the business of the Company.
Business Day	means a day other than a Saturday, Sunday or public holiday in Western Australia.
Buyer or MMA	means MMA Offshore Limited (ACN 083 185 693).
Cash Consideration	means \$5.0 million.
Company or Blossomvale	means Blossomvale Holdings Limited (previously Neptune Marine Services Limited) ACN 105 665 843.
Completion	means completion of the Transaction in accordance with the Agreement which occurred on 7 November 2019.
Consideration	means the sum of the Cash Consideration and the MMA Shares.
Constitution	means the Company's constitution.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the current directors of the Company.
Distributions	means each of the Dividend Distribution and the Share Distribution.
Dividend Distribution	has the meaning given in section 5 of the Explanatory Memorandum.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Escrow Agent	means Rajah & Tann Singapore LLP.
Escrow Agreement	means the escrow agreement entered into between the Company, MMA and the Escrow Agent.
Execution Date	means 23 July 2019.

Explanatory Memorandum	means the Explanatory Memorandum accompanying this Notice.
First General Meeting	means the meeting of Shareholders held on 21 October 2019.
General Meeting or Meeting	means the meeting convened by this Notice.
MMA or Buyer	means MMA Offshore Limited (ACN 083 185 693).
MMA Shares	means the balance of the Consideration (after excluding the Cash Consideration) in the form of MMA fully paid ordinary shares, with a value of \$13,531,000 million.
MMA Shareholder	means a registered holder of one or more fully paid ordinary shares in the capital of MMA.
MTQ	means MTQ Corporation Limited (UEN 196900057Z), a company incorporated in Singapore.
Notice or Notice of Meeting	means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.
NTA	means net tangible assets.
Proxy Form	means the proxy form accompanying this Notice.
Qualifying Shareholder	means a registered holder of Shares as at the Record Date.
Record Date	means 5.00pm AWST on 14 April 2020.
Resolutions	means the Resolutions to be considered by Shareholders at the General Meeting, as set out in this Notice of Meeting.
Restructure	means the restructure of the Business prior to Completion of the Transaction.
Retention Period	means the period commencing on the day of Completion and ending on the date which is 6 months later.
Sale Shares	<p>means all the issued securities in each of the following Blossomvale subsidiaries:</p> <ul style="list-style-type: none"> a) Neptune Asset Integrity Services Pty Ltd; b) Neptune Subsea Engineering Pty Ltd; c) Neptune Geomatics Pty Ltd; d) Neptune Subsea Stabilisation Pty Ltd; e) Neptune Diving Services Pty Ltd; f) Neptune Offshore Services (PNG) Ltd; g) Neptune Subsea Stabilisation Pte Ltd; h) Neptune Marine Pacific Pte Ltd; i) Neptune Offshore Services Ltd; j) Neptune Subsea Inc.; and k) Neptune Subsea Engineering Ltd.

Share	means a fully paid ordinary share in the capital of the Company.
Share Distribution	has the meaning given in section 5 of the Explanatory Memorandum.
Shareholder	means a registered holder of one or more Shares.
Transaction	means the sale of the Business to MMA, effected by the sale of the Sale Shares to MMA under the Agreement.
Voting Eligibility Date	means 5.00pm AWST on 4 April 2020.
VWAP	means the volume weighted average share price of MMA Shares in the 30 day period ending on the date that was two business days prior to the date of Completion.

Blossomvale Holdings Ltd

ABN 76 105 665 843



BLV

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) Saturday, 4 April 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Blossomvale Holdings Ltd hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Blossomvale Holdings Ltd to be held at Level 20, 1 William Street, Perth, Western Australia on Monday, 6 April 2020 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval for a special dividend distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval for an equal reduction of capital and in-specie distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

BLV

999999A



Computershare

