

Blossomvale Holdings Ltd

ACN 105 665 843

(Company)

Notice of Meeting Explanatory Memorandum and Proxy Form

3 pm (AWST)

6 July 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 Meeting

Resolution 1 – Approval for an equal reduction of capital and cash 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 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 one or more pro rata distributions of the surplus balance of the Company's capital reserves, to all holders of Company Shares on the Record Date (rounded down to the nearest whole cent), on the terms and conditions set out in the Explanatory Memorandum."

Resolution 2 – Delisting from Australian Securities Exchange (ASX)

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 17.11 and for all other purposes, approval is given for the removal of the Company from the official list of the ASX on the date which is 2 Business Days after the date this resolution is passed, and that the directors of the Company be authorised to do all things reasonably necessary to give effect to the delisting of the Company from the ASX."

Time and place of Meeting and how to vote

Time and place of Meeting

Notice is given that a Meeting of Shareholders of Blossomvale Holdings Limited (**Blossomvale** or the **Company**) will be held at 3pm AWST on 6 July 2020 at Level 20, 1 William Street, Perth WA, 6000 and via a web based meeting portal (**Meeting**).

Due to the current restrictions in place as a result of the Coronavirus 2019 pandemic (**Covid-19**), and in particular the ban by the Australian Government on large public gatherings and the additional requirement for a minimum distance of 1.5 meters to be kept between people at all times (i.e. social distancing requirements), the Company is unable to allow more than 100 of its Shareholders to attend the Meeting in person. The Board also considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance. On 29 May 2020, the WA State Government eased restrictions on large public gatherings allowing meetings of 100 or less people to take place, which has allowed the Company to hold the Meeting physically albeit in strictly limited numbers. Therefore, while Shareholders are invited to attend the Meeting in person they are instead strongly encouraged to attend the Meeting virtually via a web-based meeting portal. Shareholders should be aware that the Company cannot allow more than 100 people at the Meeting as it will be a breach of law and therefore persons greater in number than 100 will not be able to attend the Meeting. Shareholders should note that the 100 person limit will include the Chair, company secretary, technical and advisory attendees.

All resolutions at the Meeting will be voted on by poll and Shareholders, who are entitled to vote, may vote either prior to the Meeting, by appointing a proxy, by appointing the Chairman as

proxy or by poll during the Meeting (such poll to be taken both physically at the Meeting and electronically), further details of each voting methods open to Shareholders are set out in detail in the accompanying explanatory memorandum.

Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.

The Board will continue to monitor the Covid-19 situation closely and details of any alternative arrangements for the Meeting will be issued to Shareholders electronically by no later than 10 Business Days prior to the date of the Meeting.

The Company is aware that, at present, there are significant delays in the Australian postal system (both domestically and internationally) due to Covid-19, which may potentially adversely affect both the receipt and return of voting forms by Shareholders. Accordingly, the Board has despatched the Notice of Meeting (and the accompanying Explanatory Memorandum) to all Shareholders who have provided an email address to Computershare (the Company's registry service). If you have not yet already provided your email details to Computershare, or if you are unsure whether you have provided them or if they are correct, you are welcome to contact Computershare. A copy of the Notice of Meeting and the Explanatory Memorandum can be accessed via the following link – www.blossomvale.com.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 3pm (AWST) on 5 July 2020, the day prior to the day of the Meeting, by email to registration@blossomvaleholdings.com, including the Holder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via bluejeans (a web-based meeting portal).

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing to the company secretary at questions@blossomvaleholdings.com, by no later than 3pm (AWST) on 5 July 2020, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

Your vote is important

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

The Explanatory Memorandum provides additional information on matters to be considered at the 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 Meeting are those who are registered Shareholders at 5 pm AWST on 4 July 2020 (**Voting Eligibility Date**).

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically. Shareholders who wish to vote by poll during the virtual Meeting must first notify the company secretary of their intention by emailing pollvote@blossomvaleholdings.com, by no later than 3pm (AWST) on 5 July 2020, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the

Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email.

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 must, prior to the Meeting, provide evidence of his or her appointment, to the Company's company secretary by email to registration@blossomvaleholdings.com by no later than 3pm (AWST) on 5 July 2020, the day prior to the Meeting, noting whether the representative intends to attend the Meeting physically or virtually including any authority under which the appointment is signed, unless it has previously been given to the Company. Representatives who wish to vote by poll during the virtual Meeting must first notify the company secretary in accordance with the instructions set out above under 'voting by poll'. Shareholders are again reminded of the strict limit of 100 attendees at the physical Meeting.

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: 5 June 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 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 virtually via bluejeans as outlined above, physically 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 of Meeting.

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 a financial product or investment advice nor is it a recommendation in respect of 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 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 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;
- d) emailing the supplementary document to Shareholders at their registered email address as shown on the Company's register of Shareholders; or
- e) posting a statement on the Company's corporate website,

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

5 Background to the Resolutions

5.1 Transaction

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

5.2 Consideration

The value of the purchase consideration paid to Blossomvale for the Transaction was \$18,531,000 million which comprised a payment of \$5.0 million in cash (**Cash Consideration**) and the balance in the form of 67,655,000 fully paid ordinary shares in MMA (**MMA Shares**) to the value of \$13,531,000 million (at that time). The value of the MMA Shares was calculated in accordance with the Agreement.

5.3 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, and which was obtained at the First General Meeting) 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. The notice of meeting for the First General Meeting also foreshadowed the distribution of the Cash Consideration (after the Retention Period), the distribution of all remaining cash (after amounts are retained for all costs) and the delisting and winding up of the Company. This has been actioned as at the date of the Notice of Meeting.

5.4 Second General Meeting

A further general meeting was held on 6 April 2020 (**Second General Meeting**) at which Shareholders voted in favour of an in-specie distribution of the MMA Shares (**Share Distribution**) and 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 applicable record date after the special dividend distribution of MMA Shares (**Dividend Distribution**). These distributions have been completed as at the date of the Notice of Meeting. The Board notes that the notice of meeting in respect of the Second General Meeting also foreshadowed a third general Meeting and the vote for the distribution of excess cash on hand and for the delisting of the Company.

5.5 Retention Period

Following the sale of the Company's businesses to the Buyer, the Cash Consideration was required (under the Agreement) to be locked up for a period of 6 months which expired on 7 May 2020 (**Retention Period**). Following the expiry of the Retention Period, the Company declared a special dividend up to the balance of the Company's appropriation reserves as detailed in the Company's announcement dated 12 May 2020 and in the Appendix 3A preceding that announcement (**Special Dividend**). The Special Dividend was to be paid to Shareholders on 28 May 2020.

6 Resolution 1 Approval for an equal reduction of capital and cash distribution

Based on the latest unaudited management accounts of the Company and its remaining subsidiaries (the **Group**) and taking into account the payment of the Special Dividend to Shareholders, the Group has remaining estimated distributable net cash of up to \$3.2 million (subject to audit finalisation) (**Distributable Net Cash**) before allowing for ongoing costs and the costs required to wind-up the 17 remaining dormant Group subsidiaries (**Dormant Subsidiaries**). The final distributable cash cannot be accurately estimated until further progress is made in respect to the winding-up the Dormant Subsidiaries (which are located in multiple international jurisdictions) and for which both the cost and timing are not yet possible to estimate with a degree of certainty at this time.

Therefore, the Board has called this third general Meeting, to allow Shareholders the opportunity to vote on Resolution 1, which, if passed, will allow the Company to make one or more pro rata distributions of the surplus balance of the Company's capital reserves, to all holders of Company Shares (on the Record Date).

In the first instance the Board proposes to make an interim cash distribution to Shareholders of approximately \$2,000,000 (**Interim Distribution**) amounting to \$0.03255 per share (see ASX release dated 12 May 2020). The surplus balance of the Distributable Net Cash will be retained in order to be available for amounts owing to creditors, working capital costs for the period up to

the Delisting, for the winding up and deregistration of each Dormant Subsidiary and for the liquidation of the Company (together the **Costs**).

6.1 Next steps

It is the current intention of the Board that a final distribution (**Final Distribution**) will be made to Shareholders once the Costs can be determined with greater accuracy and that a fourth and final general Meeting be called where Shareholders will be invited to vote on the liquidation of the Company. Given the complexities involved in the winding up and deregistration of each Dormant Subsidiary the Board does not have any accurate view on timing for this final Shareholder meeting, but on the information available to the Board as at the date of the Notice of Meeting the Board does not envisage calling such meeting for a period of at least twelve months.

6.2 Statutory requirements

The reduction of capital by way of the Interim Distribution 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 Resolution 1.

The proposed capital reduction is an equal reduction because it only relates to the cash distribution as applicable to each Shareholder in proportion to the number of Shares held (as at the Record Date) and the terms of the capital 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 Interim Distribution), under section 256C of the Corporations Act.

The Board considers that the Interim 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 cash is on a pro rata basis. The Directors consider that the Interim 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 Interim Distribution.

6.3 Intention if Interim Distribution proceeds

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 Interim Distribution as soon as practicable after the Meeting by way of a cash distribution conducted by equal capital reduction.

6.4 Intention if Interim Distribution is not approved

If Resolution 1 is not passed, then the Board will not distribute any cash to Shareholders and all Distributable Net Cash will be retained in the Company until such time as a fourth general Meeting is held when Shareholder approval will be sought for the return of all surplus cash and assets held by the Company to Shareholders and the subsequent liquidation of the Company.

6.5 Calculation of returns

The Company intends to return to each registered holder of Shares under the Interim Distribution, \$0.03255 cents for every 1 Share held by the holder on the Record Date, representing a return of capital of approximately \$2 million. The Company will retain approximately \$1,200,000 cash on account for payments to its creditors, amounts in respect of the winding up and deregistration of the Dormant Subsidiaries, working capital and/or regulatory costs and the costs of appointing a liquidator to the Company.

6.6 Treatment of fractions

Where the Interim Distribution to a Shareholder results in an entitlement for that Shareholder of a fraction of a cent, such fraction will be rounded down to the nearest whole number of cents.

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.

6.7 Tax treatment

Please refer to section 8 for further information in respect of tax treatment of the Interim Distribution.

Shareholders are advised to seek their own financial and taxation advice in relation to the Interim Distribution 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 Interim Distribution.

6.8 Timetable

Please refer to section 9 for further information in respect of the timetable for the Interim Distribution.

6.9 Financial effect of the Interim Distribution and pro forma balance sheet

The effect of the Interim Distribution on the key metrics from the Company's Consolidated Statement of Financial Position are shown below¹:

Category	Before Interim Distribution ²	Interim Distribution ³	After Interim Distribution
	\$'million	\$000	\$000
Total Assets	5.4	(2.0)	3.4
Net Assets/Total Equity	3.8	(2.0)	1.8

The Interim Distribution will have no effect on the Company's Consolidated Income Statement.

6.10 Effect on Shareholders

¹ 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 Interim Distribution. The amounts in this table are based on the Company's unaudited consolidated financial statements as at 31 March 2020 and show the effect of the Interim Distribution had occurred on that date.

² Based on the Company's Consolidated Statement of Financial Position as at 31 March 2020 (unaudited), after taking into account the Dividend Distribution and Special Dividend.

³ For the purposes of this illustration, the Interim Distribution amount is estimated after allowing for reasonable wind up costs.

The Interim Distribution 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 Interim Distribution, in effect, making the Shares less attractive to potential new investors. Please also refer to section 7 regarding the Delisting, which will also affect marketing of Shares in the Company.

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

6.11 Effect on Company's capital structure

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

7 RESOLUTION 2 DELISTING FROM AUSTRALIAN SECURITIES EXCHANGE

7.1 Overview

The Company seeks approval from Shareholders to remove the Company from the Official List of the ASX (**Delisting**). On 24 April 2020, the Company wrote to the ASX requesting approval of the Company's request to remove the Company from the Official List in accordance with Listing Rule 17.11. On 11 May 2020, ASX provided its written approval to the Company's request to be removed from the Official List pursuant to Listing Rule 17.11, subject to the Company's compliance with the following conditions:

- **Condition 1.1:** the Company's removal from the Official List to be approved by a special resolution of the ordinary shareholders of the Company;
- **Condition 1.2:** that the notice of meeting seeking Shareholder approval for the Company's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:
 - **Condition 1.2.1:** a timetable of key dates, including the time and date at which the Company will be removed from the ASX if shareholders vote in favour of the Delisting;
 - **Condition 1.2.2:** that if Shareholders wish to sell their shares on the ASX, they will need to do so before the Company is removed from the Official List;
 - **Condition 1.2.3:** that the securities of the Company will be suspended from official quotation on the date of the meeting and will remain suspended until the Company is removed from the Official List; and
- **Condition 1.3:** the Company releases the full terms of ASX's decision to the market.

7.2 Compliance with ASX conditions

In accordance with the conditions as stated above:

- **Condition 1.1:** Resolution 2 seeks Shareholder approval via a special resolution for the removal of the Company from the Official List as set out in Condition 1.1 above;
- **Condition 1.2:** this Explanatory Memorandum includes the statements required by ASX's approval as set out in:
 - Condition 1.2.1, please refer to section 9;
 - Condition 1.2.2, please refer to section 7.8; and
 - Condition 1.2.3, please refer to section 7.5; and
- **Condition 1.3:** the Company released the full terms of ASX's decision to the market in its announcement dated 12 May 2020 as set out in Condition 1.3 above.

The proposed Delisting is considered by the Directors to be in the best interests of the Company for the reasons set out in this Explanatory Memorandum, particularly at section 7.3.

The Delisting may also be perceived to have some disadvantages for Shareholders and possible disadvantages are set out in section 7.4.

The Board recommends that Shareholders seek their own legal, financial and tax advice about the potential impact of Resolution 2, including as to the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

7.3 Summary of key reasons for seeking approval to delist and related advantages

The main reasons for the recommendation by the Directors, that Shareholders should approve the Delisting are as follows:

- a) The Company has already divested itself of its key assets and operating subsidiaries as part of the Transaction.
- b) The Company has or will distribute all of its assets and cash remaining after the Transaction, including distribution of the cash and scrip consideration received by the Company under the Transaction, to its Shareholders. Therefore, Shareholders will have, after the all distributions have been made (that includes the Interim Distribution and the Final Distribution), realised the value of their investment in the Company.
- c) Post Completion of the Transaction the Company has been left with the 17 Dormant Subsidiaries which must be wound up and deregistered, and these are spread across a number of overseas jurisdictions including Australia, Brunei, Indonesia, Papua New Guinea and the United Kingdom. At the time of preparing this Explanatory Memorandum, the Board was not in a position to be able to accurately confirm the timeframe nor the costs of dealing with the Dormant Subsidiaries, however it is recognised by the Board that the process will take a minimum of 12 months and therefore the Board considers, it is not cost effective for the Company to remain listed during this period.
- d) If the Company is Delisted, the Directors expect that the Company will save the following expenses each year: ASX listing fees of \$20,000, other ASX compliance & registry costs of \$20,000, audit and compliance costs of \$100,000 totalling \$140,000. The Company will also be relieved of the administrative burden associated with being listed.

7.4 Potential disadvantages of the Delisting

The Directors have considered the potential disadvantages to the Company of Delisting, particularly:

- a) Shareholders' ability to sell Shares and realise their investment in the Company may be diminished after the Delisting Date, as Shares will no longer be traded on the ASX and will only be capable of sale by private transaction, therefore the liquidity of Shares will be directly affected and it is likely to be further diminished. However, as set out above, shareholders will receive the value of Shares in distributions in any event.
- b) If the Company is Delisted, it will have more limited means by which it can raise capital by way of the issue of securities. Typically an unlisted company does not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents. Therefore, the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated and other investors who do not require a prospectus. Balanced against these considerations is the fact that the Company presently has sufficient capital for its needs in any event and is not proposing any fundraising.
- c) If the Company is Delisted, various requirements of the Listing Rules will no longer apply, and these may include relief from some reporting and disclosure requirements, restrictions on the issue of Shares by the Company, requirements concerning significant

changes to the Company's activities and requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders.

7.5 The effect of Delisting

If Shareholders approve Resolution 2, Shares in the Company will be immediately removed from official quotation on the date of the meeting (**Suspension**). During the Suspension no trading will be allowed in the Shares of the Company. The Suspension will not be lifted until the date the Company is removed from the Official List, being two business days after Resolution 2 is passed (**Delisting Date**). Please refer to section 9 for the timetable of events.

After the Delisting Date, Shares will only be capable of sale by private transaction. This may present difficulties to selling Shareholders.

7.6 Assets, liabilities and creditors

The Directors consider that the Delisting will not have an adverse effect on the Company's capacity to meet its existing and any anticipated obligations and will be able to pay its debts as and when they fall due. As set out above, the Directors also note that the Delisting will result in considerable cost savings for the Company. However, it should be noted, that if Resolution 1 is passed, that the net cash position of the Company will be reduced by the amount of the Interim Distribution.

7.7 Ongoing compliance obligations

If the Company is Delisted, various requirements of the Listing Rules will no longer apply to the Company. The reduction of obligations associated with a listing on the ASX may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and relief from requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders. However, Shareholders will still have the benefit of the protections given to them under the Corporations Act. The Company will still be required to comply with its obligations under the Corporations Act and as set out in the Company's Constitution, these include:

- while the Company has 100 or more Shareholders (that is, while it is an **"Unlisted Disclosing Entity"**), it will still be required to provide continuous disclosure in respect of material matters under section 675 of the Corporations Act and will therefore be required to file notices with ASIC;
- the Company will still be required to lodge annual audited and half-yearly financial statements as required under the Corporations Act. It is worth noting that in the event the Company ceases to be an Unlisted Disclosing Entity, it will no longer be required to give continuous disclosure of material matters under section 675 of the Corporations Act or to lodge its half-yearly financial statements (auditor reviewed) but as a public company it will still be required to lodge its annual audited financial statements;
- while the Company has 50 or more Shareholders, the acquisition and control of its Shares will still be subject to the takeover provisions set out in Chapter 6 of the Corporations Act;
- the restrictions around the giving of a financial benefit to a related party under Chapter 2E of the Corporations Act will continue to apply; and
- the majority of the provisions of the Constitution will not be affected by the Company ceasing to be listed and there is no present proposal to change the Company's Constitution following the Delisting.

7.8 Share trading

If Shareholders wish to sell their Shares on the ASX, they will need to do so before the Company is removed from the Official List.

Following the Suspension Date, any Shareholder wishing to sell their Shares can transfer their Shares off-market to a willing third party purchaser in accordance with the Company's Constitution, however, such market may not be liquid and Shareholders will be personally responsible for sourcing any potential purchaser for their Shares.

As indicated above, whole of company transactions where an offer is made to all shareholders, (e.g. a takeover bid or a scheme of arrangement), would still be undertaken pursuant to the requirements in the Corporations Act. In the event of such a proposal, in accordance with regulatory requirements, Shareholders will be provided with all relevant information in order to assess such proposal.

7.9 What remedies may Shareholders pursue under the Corporations Act?

If a Shareholder considers the Delisting to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future. If a Shareholder considers that the Delisting involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

7.10 Passage of Resolution 2

If Resolution 2 is:

- not passed unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company's Shares would remain listed on ASX; and
- passed, then the Company's Shares will be removed from quotation on ASX.

8 TAX

8.1 Overview of the Interim Distribution

The Interim Distribution is a cash distribution to be distributed to Qualifying Shareholders in proportion to the number of Shares held by each Qualifying Shareholder as at the Record Date.

8.2 General tax implications

8.3 Tax Consequences of the capital reduction

In relation to the Interim Distribution, the Company will be seeking a class ruling from the Australian Taxation Office (**ATO**) that the capital reduction resulting from the Interim 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 Interim Distribution (**Class Ruling**). In the event that a favourable Class Ruling is not granted,

then tax **may be** payable by Shareholders on such cash as is issued to them under Resolution 2. If the Class Ruling is not granted then the distribution of cash 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 Class Ruling is granted, the Company may still proceed with the proposed Interim Distribution as set out in this document.

The Class 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 Interim 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 Interim Distribution).

General tax outline for Shareholders if a favourable Class 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 Interim Distribution) provided that the above Class Ruling is obtained. The following outline only applies to Shareholders who hold their Shares on capital account. The Class 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 Interim 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 Class Ruling:

- a) no part of the proposed Interim 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 Record Date and continue to hold at the Interim 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 Record Date but ceased to hold the Shares before the Interim Distribution payment date, a capital gain will result from the Interim Distribution (assuming the right to receive the Interim Distribution has a nil cost base).

The above is only a general outline for certain classes of Shareholders if a Class 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 Class Ruling application as soon as it becomes available.

Shareholders are advised to seek their own financial and taxation advice in relation to the Interim Distribution 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 Interim Distribution.

9 INDICATIVE TIMETABLE

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

The Company is working towards the following timetable (dates may change depending on circumstances):

Event	Indicative timeframe
Meeting of shareholders to approve the Interim Distribution and the Delisting	6 July 2020
Suspension Date (date on which the Shares are suspended from trading on ASX)	6 July 2020
Delisting Date (date on which Delisting is expected to take effect)	Close of trading on 8 July 2020
Record Date for the Interim Distribution	6 July 2020
Payment Date for the Interim Distribution	16 July 2020

10 DIRECTORS' RECOMMENDATION

The Company 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 Meeting, in the absence of a superior proposal.

The Directors of Blossomvale unanimously recommend that Shareholders vote in favour of each Resolution, in the absence of a superior proposal.

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 Day	means a day other than a Saturday, Sunday or public holiday in Western Australia.
Cash Consideration	has the meaning given in section 5.1 of the Explanatory Memorandum.
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.
Constitution	means the Company's constitution.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the current directors of the Company.
Interim Distribution	means the distribution the subject of Resolution 1.
Explanatory Memorandum	means the Explanatory Memorandum accompanying this Notice.
First General Meeting	means the meeting of Shareholders held on 21 October 2019.
Meeting	means the meeting convened by this Notice.
MTQ	means MTQ Corporation Limited (UEN 196900057Z), a company incorporated in Singapore.
Notice or Notice of Meeting	means this notice of meeting including the Explanatory Memorandum and the Proxy Form.
Proxy Form	means the proxy form accompanying this Notice.
Qualifying Shareholder	means a registered holder of Shares as at the Record Date.

	means, for:
Record Date	<ul style="list-style-type: none"> • the Interim Distribution, 5.00pm AWST on 6 July 2020; and • for any future distributions, at a date and time to be determined by the Board.
Resolutions	means each of the Resolutions to be considered by Shareholders at the Meeting, as set out in this Notice of Meeting.
Retention Period	means the period commencing on the day of Completion and ending on the date which is 6 months later.
Second General Meeting	means the meeting of Shareholders held on 6 April 2020.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of one or more Shares.
Voting Eligibility Date	means 5.00pm AWST on 4 July 2020.

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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 **3:00pm (AWST) Saturday, 4 July 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 (either physically or virtually) 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 and if you are attending virtually please return this form as set out above.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting (either physically or virtually) 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: I999999999

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 and via a web based meeting portal on Monday, 6 July 2020 at 3:00pm (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 an equal reduction of capital and cash distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Delisting from Australian Securities Exchange (ASX)	<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

