

**ASX ANNOUNCEMENT**  
**29 April, 2015****CKRA and Cokal enter into Bid Implementation Agreement**

PT Cakra Mineral Tbk (**CKRA**) and Cokal Limited (ASX:CKA) are pleased to announce that they have entered into a Bid Implementation Agreement under which CKRA will make a conditional off market takeover bid for all of the shares in Cokal (**Offer**).

**Bid consideration**

Under the Offer, Cokal shareholders will be given the choice of scrip or cash consideration, comprising either:

- **(share-based consideration)** 10.327 CKRA Shares for every 1 Cokal Share; or
- **(all cash consideration)** A\$0.16 per Cokal share.

The closing price of CKRA shares on the Indonesia Stock Exchange was IDR175<sup>1</sup> on 28 April 2015 and IDR139 on 26 February 2015 (being the last date on which Cokal shares were traded on ASX before announcement of CKRA's indicative takeover proposal).

The cash consideration values Cokal at approximately A\$75.45 million and represents:

- a 81.8% premium to the last traded price of Cokal shares on ASX on 28 April 2015 of 8.8 cents; and
- a 68.4% premium to the last traded price of Cokal shares on ASX on 26 February 2015 (being the last date on which Cokal shares were traded on ASX before announcement of CKRA's indicative takeover proposal) of 9.5 cents

**CKRA funding**

CKRA intends to raise approximately US\$100 million by way of a rights issue fully underwritten (as a standby buyer) by PT. Sinarmas Sekuritas<sup>2</sup> (**Underwriter**),

CKRA has advised Cokal that discussions are well advanced with the proposed Underwriter and CKRA is confident of securing the necessary underwriting support. At the same time, CKRA has advised Cokal that the proposed capital raising and Offer is novel for an Indonesian listed company and that there are likely to be new regulatory issues which will need to be worked through with the Indonesian authorities, CKRA's shareholders and investors.

**Rationale for the Offer**

CKRA is an Indonesia-based investment company primarily engaged in mineral industry. It currently operates its business through its subsidiaries which engages in iron ore mining and which produces zircon sand. It is also in the process of developing a Nickel Iron processing operation.

CKRA wishes to build an Indonesian resource and mineral processing company and is actively seeking opportunities to acquire companies with good fundamental assets and strong management and provide it the necessary financial ability and corporate support to grow these assets into positive cash flow sources.

<sup>1</sup> On 28 April 2015, AUD equivalent of IDR175 is approximately \$A0.017 per CKRA share based on exchange rate of 1 AUD = 10,253.40 IDR.

<sup>2</sup> PT. Sinarmas Sekuritas is a member of the Indonesia Stock Exchange and a subsidiary of IDX listed financial services group, PT Sinar Mas Multiartha Tbk (JK:SMMA), which is itself part of the Sinar Mas Group, one of Indonesia's largest conglomerates.

CKRA is working with and is supported by PT. Sinarmas Sekuritas which is part of the Sinar Mas Group, one of Indonesia's largest conglomerates, with considerable reputation in Indonesia and financial substance.

CKRA's objective for Cokal is to develop a sustainable mining asset and create shareholder value and maximize shareholder returns.

"CKRA's first priority for Cokal is to provide the financial and corporate support to bring Cokal's BBM coking coal project into production", Mr Boelio Muliadi, President Director PT Cakra Mineral Tbk said.

"We believe that Cokal human resources are capable of running Cokal operations thus there should not be any significant changes. Our role as an investment company is not to operate but to finance and create value in each of its investments", he said.

"Cokal's Board and management is a valuable asset both in terms of developing and operating the BBM project and also for the credibility of CKRA as a future developer and operator of mining assets".

The CKRA Offer also provides Cokal shareholders with a number of benefits including:

- A significant premium to the current value of Cokal shares and the value immediately prior to the receipt of CKRA's indicative proposal in February 2015.
- The ability to accept either CKRA shares or cash to suit each Cokal shareholder's personal situation.
- If the share-based consideration is accepted, the ability to participate in the development of the BBM Project and obtain exposure to the energy and resources sector in Indonesia generally through the identification, development, ownership and operation of future resource project in the area.

### **Bid supported by Cokal Board**

Each of the Cokal Directors intend to unanimously recommend the bid to Cokal shareholders and to accept the Offer in respect of all of the Cokal shares they control, in the absence of a Superior Proposal and subject to completion of satisfactory diligence of CKRA and the bid.

Entities associated with the Cokal Directors' control, in aggregate, total approximately 25.31% of Cokal's issued share capital.

### **Other details of the Proposed Offer**

The conditions to the CKRA Offer include:

- 90% minimum acceptance;
- satisfaction of requirements in relation to CKRA's proposed Rights Issue including securing an underwriting agreement and obtaining CKRA shareholder approval and Indonesian regulatory approvals;
- no Cokal prescribed occurrences;
- no adverse action affecting the Bid by any Public Authority;
- approvals by Indonesian and other Public Authorities to permit the Offer to be no material acquisitions, disposals or material corporate actions etc by Cokal;
- no force majeure event materially affecting Cokal or material adverse change affecting Cokal; and
- all Cokal options being cancelled before the end of the Offer Period. CKRA must offer to acquire or cancel all outstanding Cokal options for at least the following consideration:

	Number of Options	Expiry Date	Exercise Price	Current Option Value Cents Per Share	Total Value A\$
1	10,000,000	24/02/2019	0.126	0.091853	918,530
2	25,000,000	06/02/2019	0.13	0.090205	2,255,125
3	15,000,000	27/08/2018	0.20	Nil agreed to surrender	---

4	900,000	12/04/2015	0.75	Nil expired	---
5	50,000	29/06/2015	1.00	nil	----
6	5,000,000	05/09/2015	3,000,000 @1.10	Nil	----
			2,000,000 @1.50	Nil	----
7	350,000	12/10/2016	0.75	0.002758	965
8	1,600,000	12/04/2015	0.20	nil expired	-----
9	4,000,000	11/07/2017	0.214	0.048983	195,932
10	6,800,000	11/07/2017	0.25	0.041952	285,274

If CKRA declares its Offer to be free from conditions, Cokal will immediately have the right to nominate Cokal Directors Peter Lynch, Domenic Martino and Agus Widjojo for appointment to the CKRA Board.

Cokal has also agreed to customary “no shop” and “no talk” provisions until the end of the bid period, subject to a customary fiduciary exception to allow it to consider competing proposals.

Cokal will be required to pay a break fee of \$250,000 to CKRA under certain circumstances, including where Cokal accepts (or Cokal directors recommend) a competing proposal. Similarly, CKRA is required to pay a \$250,000 break fee to Cokal if CKRA fail to comply with its obligations.

A copy of the Bid Implementation Agreement is **attached**.

#### Timetable

An indicative timetable showing the key Indonesian regulatory steps follows. CKRA is aware that under Australian law, its Offer must be made within 2 months of the date of announcement. Subject to this and other statutory requirements, however, the timetable is entirely indicative and CKRA reserves the right to vary the key events and dates without notice and there is no guarantee that one or more dates or events will take place at any given time.

Announcement Date	29 April 2015
CKRA obtains underwriting for rights issue	27 May 2015
CKRA despatches Bidder's Statement to Cokal Shareholders and Offer opens	27 June 2015
CKRA obtains regulatory approval for rights issue to proceed	15 July 2015
CKRA obtains Registration from regulatory authority - Rights issue approvals process complete	30 July 2015
Rights issue audit - clear funds	14 August 2015
Close of Offer (unless extended)	15 August 2015

CKRA will now initiate the regulatory and governance processes in Indonesia to conduct its rights issue and make the bid. Further information about the CKRA Offer, including acceptance timing and other details, will be provided in CKRA's Bidder's Statement.

Cokal is being advised by Thomson Geer Lawyers on the Australian aspects of the bid.

For further information, contact:

Peter Lynch  
Executive Chairman  
[plynch@cokal.com.au](mailto:plynch@cokal.com.au)  
+62 821 1001 0009

---

## PROJECT OVERVIEW

BBM's Production IUP covers an area of 14,980 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement. The tenement covers ground which has been zoned as Production Forest. Production Forest zones are areas that have been designated by the Central Government of Indonesia to allow for forestry and mining activities by local and international companies.

The IUP straddles the Barito River and has numerous outcrops of bright coal. Coal core samples analysis confirmed BBM's coal to be a premium coking coal with low ash, low sulphur and ultra-low Phosphorus, as well as Crucible Swell Numbers ("CSN") values generally 9.

- Total Coal Resource estimate of 266.6 Mt at BBM, comprised of 19.5Mt Measured, 23.1Mt Indicated and 224Mt Inferred Resources reported in accordance with the 2012 JORC Code\*
- Product split for the total BBM Coal Resource is estimated to be 90% Coking Coal and 10% PCI

## ENDS

### About Cokal Limited

Cokal Limited (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in five projects in Central Kalimantan and one project (which holds three exploration licences) in West Kalimantan, Indonesia considered prospective for metallurgical coal. Cokal has also signed a joint venture with Tanzoz Resource Company Limited to explore for coal in Tanzania and a co-operation agreement with Mozambique Government Mining Corporation, EMEM, to explore for coking coal in the emerging coal province of Mozambique.

### Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

---

## Competent Person Statement

The Total Coal Resource estimate was announced on 29 January 2015, titled “Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project”. The information in the report relating to Mineral Resources is based on information compiled by Yoga Suryanegara who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited. Mr Suryanegara is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 29 January 2015 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 29 January 2015 continue to apply and have not materially changed.

The information in this report relating to exploration results is based on information compiled by Patrick Hanna who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Cokal Limited. Mr Hanna is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Date: 27 April 2015

**Bid Implementation Agreement**

PT. Cakra Mineral Tbk (**BidCo**)

Cokal Limited (**TargetCo**)

Cokal was advised by



**THOMSON GEER**  
LAWYERS

*Handwritten signature and initials*

## Table of Contents

1	DEFINITIONS & INTERPRETATION .....	1
2	THE BID .....	<del>87</del>
3	FACILITATING THE BID .....	9
4	TAKEOVER OFFER.....	<del>1413</del>
5	COMPENSATING AMOUNT .....	14
6	EXCLUSIVITY .....	16
7	WARRANTIES.....	18
8	ADDITIONAL WARRANTIES BY TARGETCO .....	<del>1948</del>
9	ADDITIONAL WARRANTIES FROM BIDCO .....	19
10	ANNOUNCEMENTS .....	20
11	TERMINATION .....	20
12	AMENDMENT AND ASSIGNMENT .....	21
13	GENERAL .....	<del>2224</del>
SCHEDULE 1	AGREED ANNOUNCEMENT .....	24
APPENDIX 1	OFFER CONDITIONS .....	25
APPENDIX 2	DEFINITIONS .....	30
SCHEDULE 2	AGREED BID TERMS .....	32
SCHEDULE 3	TARGETCO'S CAPITAL .....	33

*Handwritten signature and initials*



## Details

Date 27 April 2015

## Parties

**Name** PT. Cakra Mineral Tbk, a publicly listed company duly established under the laws of Republic of Indonesia

**Short form name** BidCo

**Notice details** Komplek Perkantoran Red Top E.7,8,9,  
Jl. Raya Pecenongan No. 72  
Kebon Kelapa  
Jakarta Pusat 10120  
Attention: Boelio Muliadi  
Facsimile: (62) 21 3453704

**Name** Cokal Limited

**ABN** 55 082 541 437

**Short form name** TargetCo

**Notice details** Level 34, Riverside Centre  
123 Eagle Street  
Brisbane QLD 7000  
Attention: Mr Peter Lynch  
Chairman and CEO  
Facsimile: +61 7 3001 4195

---

## 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

The following definitions apply in this document.

**Agreed Announcement** means the joint announcement made by the parties in the agreed form set out in Schedule 1 or in other terms agreed to by the parties.

**Agreed Bid Terms** means the terms set out in Schedule 2.



<b>Announcement Date</b>	means the date of release of the Agreed Announcement.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in section 12(2) of the Corporations Act.
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange, as appropriate.
<b>ASX Listing Rules</b>	means the listing rules of the ASX.
<b>Bid</b>	means a takeover bid under Chapters 6 to 6C of the Corporations Act under which BidCo offers to acquire all TargetCo Shares on terms no less favourable to Target Shareholders than the Agreed Bid Terms.
<b>Bid Conditions</b>	means the conditions set out in Appendix 1 to the Agreed Announcement.
<b>Bid Offer</b>	means each offer to acquire TargetCo Shares to be made by BidCo to each TargetCo Shareholder under the Bid on terms consistent with this document.
<b>Bid Offer Period</b>	means the period during which the Bid Offer is open for acceptance.
<b>BidCo Board</b>	means the board of directors of BidCo from time to time.
<b>BidCo Due Diligence Information</b>	means all written information (including in electronic form) relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of BidCo provided by BidCo to TargetCo during the Due Diligence Period in response to requests from TargetCo.
<b>BidCo Material Adverse Change</b>	<p>means Specified Events which are not disclosed or properly taken into account in the preparation of BidCo's financial statements and, which had they been so disclosed or properly taken into account, individually or when aggregated with all such events, would have resulted in:</p> <ul style="list-style-type: none"> <li>(a) the value of the consolidated net assets of BidCo and its subsidiaries reported in BidCo's financial statements for the year ending 31 December 2014 being reduced by at least US\$15,000,000;</li> <li>(b) an event or change with respect to its mining or infrastructure rights (including any right or license to access to port facilities) or that has or will have a materially adverse impact on the business conducted by BidCo or a Subsidiary of BidCo,</li> </ul>

*@ A H*

but does not include any change:

- (c) fairly disclosed to TargetCo on or before the date of this document (including as a result of disclosures made to IDX);
- (d) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (e) approved in writing by TargetCo.

**BidCo Prescribed  
Occurrence**

means any of the following:

- (a) BidCo converts all or any of its shares into a larger or smaller number of shares;
- (b) BidCo or a subsidiary of BidCo resolves to reduce its share capital in any way;
- (c) BidCo or a subsidiary of BidCo:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under s257C(1) or s257D(1) of the Corporations Act;
- (d) BidCo or a subsidiary of BidCo issues shares (other than BidCo shares upon the exercise of BidCo options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) BidCo or a subsidiary:
  - (i) issues securities or other instruments convertible into shares or debt securities; or
  - (ii) agrees to issue securities or other instruments convertible into shares or debt securities;
- (f) BidCo or a subsidiary of BidCo disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) BidCo or a subsidiary of BidCo charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) BidCo or a subsidiary of BidCo resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of BidCo or of a subsidiary of BidCo;
- (j) a court makes an order for the winding up of BidCo or of a subsidiary of BidCo;
- (k) an administrator of BidCo, or of a subsidiary of BidCo, is appointed under sections 436A, 436B or 436C of the

Corporations Act;

- (l) BidCo or a subsidiary of BidCo executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of BidCo or of a subsidiary of BidCo,

provided that a BidCo Prescribed Occurrence will not include any matter:

- (n) fairly disclosed to TargetCo on or before the date of this document (including as a result of disclosures made to IDX);
- (o) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them, or
- (p) approved in writing by TargetCo.

**BidCo Share**

means a fully paid ordinary share in the capital of BidCo.

**Bidder's Statement**

means the bidder's statement to be issued by BidCo in respect to the Bid.

**Business Day**

means a day (other than Saturday, Sunday or public holiday) on which banks are open for general banking business in Brisbane, Queensland.

**Compensating Amount**

has the meaning given to it in clause 5.4.

**Competing Proposal**

means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than BidCo or one of BidCo's Associates acquiring:
  - (i) an interest in all or a substantial part of the assets of TargetCo;
  - (ii) a Relevant Interest in more than 20% of the voting shares of TargetCo; or
  - (iii) control of TargetCo within the meaning of s50AA of the Corporations Act; or
- (b) TargetCo and another person or persons (other than BidCo or one of BidCo's Associates) operating under a dual listed company, or similar structure.

**Confidentiality Deed**

means the confidentiality deed dated 19 March 2015 between



BidCo and TargetCo.

<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC.
<b>Due Diligence Period</b>	means the period commencing on the date of this document and expiring on the date that is up to two months after the date of this document.
<b>Exclusivity Period</b>	means the period commencing from the date of this document to expiry of the Bid Offer Period or the date that this document is terminated (whichever is the earlier).
<b>IDX</b>	means PT.Bursa Efek Indonesia or the Indonesian Stock Exchange, as appropriate
<b>OJK</b>	means the Indonesian Financial Services Authority.
<b>Public Authority</b>	means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self regulatory organisation established under statute and any stock exchange.
<b>Relevant Interest</b>	has the same meaning as given in sections 608 and 609 of the Corporations Act.
<b>rights issue</b>	means an equity capital raising by BidCo by way of a fully underwritten rights issue to raise sufficient capital to enable BidCo to comply with its obligations under the Bid.
<b>Specified Events</b>	means an event, occurrence or matter that: <ul style="list-style-type: none"><li>(a) occurs after the date of this document;</li><li>(b) occurs before the date of this document but is only announced or publicly disclosed after the date of this document; or</li><li>(c) will or is likely to occur after the date of this document and which has not been publicly announced prior to the date of this document.</li></ul>
<b>Superior Proposal</b>	means a Competing Proposal that in the determination of the TargetCo Board acting in good faith after taking advice from its financial advisers: <ul style="list-style-type: none"><li>(a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and</li><li>(b) is more favourable to Target Shareholders than the Bid,</li></ul>

taking into account all terms and conditions of the Competing Proposal.

**TargetCo Board** means the board of directors of TargetCo from time to time.

**TargetCo Constitution** means the constitution of TargetCo.

**TargetCo Due Diligence Information** means all written information (including in electronic form) relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of TargetCo provided by TargetCo to BidCo during the Due Diligence Period in response to requests from BidCo.

**TargetCo Option** means an option to subscribe for a TargetCo Share granted by TargetCo.

**TargetCo Option Consideration** means the consideration to be offered by BidCo to acquire TargetCo Options as agreed between the holders of TargetCo Options and BidCo provided that the consideration offered is not less than the amount set out below:

	Number of Options	Expiry Date	Exercise Price	Current Option Value Cents Per Share	Total Value A\$
1	10000000	24/02/2019	0.126	0.091853	918,530
2	25000000	06/02/2019	0.13	0.090205	2,255,125
3	15000000	27/08/2018	0.20	Nil agreed to surrender	---
4	900000	12/04/2015	0.75	Nil expired	---
5	50000	29/06/2015	1.00	nil	----
6	5000000	05/09/2015	3000000 @1.10	Nil	----
			2000000 @1.50	Nil	----
7	350000	12/10/2016	0.75	0.002758	965
8	1600000	12/04/2015	0.20	nil expired	-----
9	4000000	11/07/2017	0.214	0.048983	195,932
10	6800000	11/07/2017	0.25	0.041952	285,274

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



<b>TargetCo Shareholder</b>	means a holder of a TargetCo Share.
<b>Target's Statement</b>	means the target's statement to be issued by TargetCo in respect of the Bid.
<b>Unacceptable Circumstances</b>	has the meaning given in s657A of the Corporations Act.

## 1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this document. If a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act the word or phrase has that meaning.
- (b) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
  - (v) anything (including a right, obligation or concept) includes each part of it; and
  - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

Handwritten signature and initials, including 'G', 'e', 'A', and 'N'.



---

## **2 THE BID**

### **2.1 The Bid**

- (a) BidCo agrees to make the Bid.
- (b) BidCo and TargetCo agree to make the Agreed Announcement to ASX and IDX as soon as practicable after the parties have executed this document.

### **2.2 BidCo may use subsidiary**

- (a) BidCo may satisfy its obligations under clause 2.1 by causing a wholly-owned subsidiary to do the things referred to in clauses 2.1(a) and (b). If BidCo does that then references to:
  - (i) the Bid are references to the Bid by the subsidiary; and
  - (ii) BidCo making the Bid are references to BidCo causing the subsidiary to make the Bid.
- (b) If clause 2.2(a) applies, BidCo:
  - (i) must procure that its relevant subsidiary performs BidCo's obligations under this document; and
  - (ii) guarantees to TargetCo the performance of those obligations by that subsidiary.

### **2.3 TargetCo's assessment of the Bid**

TargetCo represents and warrants to BidCo that:

- (a) the TargetCo Board has met and considered the possibility of BidCo agreeing to make the Bid; and
- (b) all of the members of the TargetCo Board have informed TargetCo that, if BidCo complies with clause 2.1:
  - (i) the TargetCo Board will unanimously recommend that, in the absence of a Superior Proposal or of a BidCo Material Adverse Change, TargetCo Shareholders accept the offers to be made to them under the Bid; and
  - (ii) each member of the TargetCo Board will, in the absence of a Superior Proposal or of a BidCo Material Adverse Change, accept, or procure the acceptance of, each Bid Offer in respect of all the TargetCo Shares that they hold or in which they otherwise have a Relevant Interest.
- (c) During the Bid Offer Period, the TargetCo Directors may withdraw their recommendations and their statement of intention to accept the Bid Offer in respect of Target Shares which they own or control if:
  - (i) a BidCo Material Adverse Change occurs;
  - (ii) a Superior Proposal is received and is not matched or exceeded by an increase in the consideration offered by BidCo within 3 Business Days of BidCo receiving notification under clause 6.8; or
  - (iii) TargetCo does not satisfactorily complete due diligence.

- (d) A recommendation of the TargetCo Board will for the purposes of this document be deemed to be unanimous if all TargetCo Directors vote in favour of the resolution other than those precluded from doing so because of a material personal interest or some other actual or potential conflict of interest. BidCo acknowledges and agrees that TargetCo will be required to disclose fully the fact of and reasons for any TargetCo Directors not voting because of a material personal interest or some other actual or potential conflict of interest. TargetCo represents and warrants that, as at the date of this document, it is not aware of any of its Directors having any such material personal interest or other actual or potential conflict of interest.

---

### **3 FACILITATING THE BID**

#### **3.1 Conduct of Due Diligence by TargetCo**

BidCo (the Discloser) will provide to TargetCo (the Disclosee) during the Due Diligence Period, (at Disclosee's expense), as requested by the Disclosee for the purpose of the conduct of Due Diligence by the Disclosee on the Discloser:

- (a) access to the books and records of the Discloser;
- (b) any information reasonably requested by the Disclosee; and
- (c) access to the Discloser's senior management, external auditors and accountants and other advisers,

subject to any existing confidentiality obligations owed to third parties or applicable privacy laws.

#### **3.2 Reasonable access**

Without limiting clause 3.1 in any way, to the extent reasonably required in connection with the Bid, during the Exclusivity Period each of BidCo and TargetCo (each a Discloser) will use their reasonable endeavours to provide to the other (Disclosee) (at Disclosee's expense) with access to:

- (a) the books and records of the Discloser;
- (b) any information reasonably requested by the Disclosee; and
- (c) Discloser's senior management, external auditors and accountants and other advisers,

subject to any existing confidentiality obligations owed to third parties or applicable privacy laws and provided that such access is reasonably necessary for BidCo and does not place an unreasonable burden on the ability of Target to run its business.

#### **3.3 Application of Confidentiality Deed**

All information provided under this document is subject to the terms of the Confidentiality Deed.

#### **3.4 Bidder's Statement and Target's Statement**

For the avoidance of doubt nothing in this document or the Confidentiality Deed restricts:



- (a) BidCo from including any information in the Bidder's Statement for the purpose of, and only to the extent reasonably necessary for, complying with the Corporations Act, the ASX Listing Rules or any other applicable law and listing rules, provided always that BidCo, to the extent reasonably practicable, consults in good faith with TargetCo as to the form and content of any such disclosures before that information is disclosed in that Bidder's Statement; or
- (b) TargetCo from including any information in the Target's Statement for the purpose of, and only to the extent reasonably necessary for, complying with the Corporations Act, the ASX Listing Rules or any other applicable law and listing rules, provided always that TargetCo, to the extent reasonably practicable, consults in good faith with BidCo as to the form and content of any such disclosures before that information is disclosed in that Target's Statement.

### **3.5 Consultation regarding Bidder's Statement and Target's Statement**

- (a) BidCo will give TargetCo a reasonable opportunity (as set out in the indicative timetable in clause 3.8) to review an advanced draft of the Bidder's Statement in respect of the Bid, and will consult in good faith with TargetCo with respect to any comments TargetCo may have on that Bidder's Statement.
- (b) TargetCo will give BidCo a reasonable opportunity (as set out in the indicative timetable in clause 3.8) to review an advanced draft of the Target's Statement in respect of the Bid, and will consult in good faith with BidCo with respect to any comments BidCo may have on that Target's Statement.

### **3.6 Early despatch of offers**

- (a) For the purposes of item 6 in s633(1) of the Corporations Act and subject to complying with clause 3.6(b), TargetCo agrees that offers under the Bid may be sent to holders of TargetCo Shares on the day on which the finalised Bidder's Statement for the Bid is sent to TargetCo or within 28 days after that day.
- (b) Clause 3.6(a) is subject to BidCo providing TargetCo with a final draft of its Bidder's Statement for review not less than 7 Business Days before it is lodged with ASIC under item 2 of section 633(1) of the Corporations Act.

### **3.7 TargetCo Target's Statement**

Subject to clause 3.6(a), TargetCo must use its reasonable endeavours to despatch the Target's Statement to TargetCo Shareholders as soon as practicable after the Bidder's Statement in respect of the Bid is sent to TargetCo Shareholders.

### **3.8 Indicative timetable**

Without prejudice to the remainder of the obligations contained in this clause 3, each party agrees to use their respective reasonable endeavours to comply with the following indicative timetable:

Handwritten signature and initials, including a large 'A' and a circled 'C'.

Release of Agreed Announcement	Date of this document
BidCo obtains underwriting for rights issue	27-05-2015
BidCo despatches Bidder's Statement to TargetCo Shareholders	27-06-2015
Offer opens	27-06-2015
TargetCo despatches Target's Statement to TargetCo Shareholders	27-06-2015
BidCo obtains regulatory approval for rights issue to proceed	15-07-2015
BidCo obtains Registration from regulatory authority - Rights issue approvals process complete	30-07-2015
Rights issue audit - clear funds	14-08-2015
Close of Offer (unless extended)	15-08-2015

### 3.9 Conduct of business

During the Exclusivity Period, each of BidCo and TargetCo must carry on their respective businesses in accordance with normal and prudent practice and in the ordinary course. For the purposes of this clause:

- (a) making the Bid and Rights Issue (together with all associated activity and expenditure) are deemed to be BidCo carrying on its business in the ordinary course; and
- (b) responding to the Bid and any Competing Proposal (together with all associated activity and expenditure) is deemed to be TargetCo carrying on its business in the ordinary course.

### 3.10 Promote the Bid

In the absence of

- (a) a Superior Proposal; or
- (b) there occurring a BidCo Material Adverse Change,

then to the extent reasonably requested to do so by BidCo during the Exclusivity Period, TargetCo will support the Bid and participate in efforts reasonably required by BidCo (at BidCo's expense) to promote the merits of the Bid, including meeting with key TargetCo Shareholders, analysts, management, press and other parties mutually agreed (together with BidCo, to the extent reasonable), but only to the extent that the TargetCo Board or the relevant director considers (acting reasonably) they may do so without breaching their legal or fiduciary duties.

### 3.11 Bid Conditions – TargetCo Obligations

- (a) TargetCo agrees not to do (or omit to do) anything which will, or is reasonably likely to, result in any of the Bid Conditions being breached.



- (b) Nothing in this clause 3 prevents TargetCo or the TargetCo Board from taking, or failing to take, action where to do otherwise may, in the reasonable opinion of the TargetCo Board, constitute a breach of the legal or fiduciary duties of the directors of TargetCo. The reasonable opinion of the TargetCo Board must be based on specific written legal advice.
- (c) To avoid any doubt, in this document, a reference to a Bid Condition being breached includes a reference to a Bid Condition not being, or not being capable of being, satisfied.
- (d) If any event occurs or becomes apparent to a party which would cause any of the Bid Conditions to be breached, that party must, to the extent that it is actually aware of such information, immediately notify the other party in writing of the event.
- (e) TargetCo agrees to use its reasonable endeavours to ensure satisfaction of the Bid Conditions set out in sections 1.5 and 1.6 of Appendix 1 to the Agreed Announcement.

### **3.12 Bid Conditions -- BidCo obligations**

The BidCo Board must use its best endeavors to ensure the timely satisfaction of the Bid Conditions. Without limiting the generality of the foregoing, each director of BidCo must:

- (a) recommend to BidCo shareholders that they vote in favour of the underwritten rights issue and the conduct of the Bid; and
- (b) vote, or procure the vote, in favour of the resolutions for BidCo shareholder approval of the underwritten rights issue and the Bid, in respect of all shares in BidCo the director holds or controls.

### **3.13 TargetCo Options**

- (a) Prior to the Bid Offer becoming unconditional, BidCo must:
  - (i) make an offer to acquire all of the TargetCo Options (outstanding as at such date) from each holder of TargetCo Options; or
  - (ii) seek such holder's consent for the cancellation of its TargetCo Options (in which case BidCo must provide sufficient funds to TargetCo to pay the Target Offer Consideration for the cancellation of the TargetCo Options),

for the TargetCo Option Consideration.

If accepted, the acquisition or cancellation of those TargetCo Options must be completed within 21 days of the Bid Offer becoming unconditional.

- (b) TargetCo must ensure the TargetCo Board:
  - (i) does all things and takes all actions required by the terms of the TargetCo Options, the ASX Listing Rules, the Corporations Act and the TargetCo Constitution in respect of the TargetCo Options and any offer made under clause 3.13(a); and
  - (ii) does not exercise any discretion given to TargetCo or the TargetCo Board under the terms of the TargetCo Options or the TargetCo Constitution with respect to the TargetCo Options without the prior written consent of BidCo (such consent not being unreasonably withheld or delayed) unless the failure

to exercise any discretion would or is likely, in the reasonable opinion of the TargetCo Board, to involve a breach of the duties of the directors of TargetCo.

### 3.14 Board appointments - TargetCo

Conditional upon BidCo declaring the Bid to be free from all Bid Conditions and BidCo having a Relevant Interest in at least 90% of the share capital of TargetCo on a fully diluted basis, BidCo will have the right to nominate any person or persons to be appointed as a director of the TargetCo Board (**BidCo Nominees**). TargetCo must ensure that:

- (a) the TargetCo Board promptly appoints each BidCo Nominee as a casual or additional director of the TargetCo Board until the next annual general meeting of TargetCo; and
- (b) upon such appointments becoming effective, the other directors of the TargetCo Board and the then directors of each of TargetCo's subsidiaries who are requested by BidCo in writing to resign do so.

### 3.15 Board Appointments - BidCo

Conditional upon BidCo declaring the Bid to be free from all Bid Conditions, TargetCo will have the right to nominate:

Peter Lynch

Domenic Martino

Agus Widjojo

as a director on the BidCo Board (**TargetCo Nominees**). BidCo must ensure that the BidCo Board promptly appoints each TargetCo Nominee as a casual or additional director of the BidCo Board until the next annual general meeting of BidCo. This Appointment is subject to Indonesia company law compliance.

### 3.16 Offer of employment

- (a) In the event that BidCo obtains control (as defined in section 50AA of the Corporations Act) of TargetCo under or as a consequence of the Bid, BidCo will not take any action in relation to employee of TargetCo to:
  - (i) terminate the employment of any TargetCo employee as at the Announcement Date;
  - (ii) make any position held by an employee of TargetCo as the Announcement Date redundant; or
  - (iii) reduce or adversely vary the terms and conditions of employment of any employee as at the Announcement Date.
- (b) BidCo will include in the Bidder's Statement disclosure to the substantive effect of clause 3.16(a).



---

## **4 TAKEOVER OFFER**

### **4.1 Variation**

- (a) BidCo may vary the terms of the Bid in any manner permitted by the Corporations Act provided the varied terms are no less favourable to TargetCo Shareholders than the Agreed Bid Terms.
- (b) BidCo may adjust the offer price under the Bid by the amount of any dividends or distributions paid to holders of TargetCo Shares after the Announcement Date.

### **4.2 Waiver of conditions and extension**

Subject to the Corporations Act, BidCo may declare the Bid to be free from any Bid Condition or extend the Bid at any time.

### **4.3 Default consideration**

The parties acknowledge and agree that, if a TargetCo Shareholder submits a completed acceptance form in respect of the relevant Bid Offer which does not correctly indicate the form of consideration such TargetCo Shareholder wishes to receive, the default consideration shall be such number of BidCo Shares for every TargetCo Share as set out in paragraph 2.1(b) of Schedule 2 of this document.

---

## **5 COMPENSATING AMOUNT**

### **5.1 Undertaking given by TargetCo**

Subject to clause 5.3 and to BidCo otherwise complying with its obligations under this document (including having released the Agreed Announcement in accordance with Schedule 1), TargetCo undertakes to pay the Compensating Amount to BidCo if during the Bid Offer Period BidCo does not declare the Bid unconditional and:

- (a) TargetCo accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal and BidCo does not make a revised offer; or
- (b) any TargetCo director does not recommend the Bid or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Competing Proposal or announces an intention to do any of these acts.

### **5.2 Undertaking given by BidCo**

BidCo undertakes to pay the Compensating Amount to TargetCo if it fails to comply with its obligations under this document (including proceeding with the Bid), except as a result of:

- (a) the occurrence of an event or circumstance which would entitle BidCo to the payment of the Compensating Amount under clause 5.1; or
- (b) the termination of this agreement by BidCo in accordance with clauses 11.1(a), 11.1(b) or 11.2.

### 5.3 Exception

Notwithstanding clause 5.1, no Compensating Amount is payable by TargetCo to BidCo where TargetCo terminates this agreement in accordance with clause 11.

### 5.4 Compensating Amount

The Compensating Amount is \$250,000 plus the amount of any GST payable.

### 5.5 Acknowledgments

- (a) TargetCo acknowledges that:
  - (i) the Compensating Amount is reasonable in the context of the Bid; and
  - (ii) significant benefits will flow to TargetCo and the TargetCo Shareholders from BidCo making the Bid.
- (b) BidCo acknowledges that:
  - (i) the Compensating Amount is reasonable in the context of the Bid; and
  - (ii) TargetCo and the TargetCo Shareholders will suffer significant detriment if BidCo fails to proceed with the Bid.
- (c) Each of TargetCo and BidCo acknowledge and agree that the Compensating Amount represents reasonable compensation for any circumstance giving them the right to claim the Compensating Amount and that they will have no other claim in respect of such circumstance, whether under this agreement or otherwise.

### 5.6 Warranty

BidCo warrants that TargetCo's entering into this document is necessary to induce BidCo to make the Bid.

### 5.7 Demand for payment

Any demand by either party for payment of the Compensating Amount (**Demanding Party**) must be in writing stating the circumstances giving rise to the payment and the party must pay the Compensating Amount to the Demanding Party within 5 Business Days of receipt of the demand and the Demanding Party being entitled to the Compensating Amount under clause 5.1 or 5.2.

### 5.8 Repayment

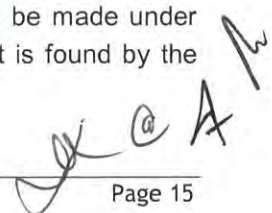
Despite any event in clause 5.1 occurring, if

- (a) BidCo declares the Bid to be unconditional; or
- (b) TargetCo terminates this agreement in accordance with clause 11,

then BidCo must immediately repay to TargetCo any amount received under clause 5.1 which has not already been refunded under clause 5.9.

### 5.9 Compliance with law

- (a) Unlawful Amount means all or any part of the payment required to be made under clauses 5.1 or 5.2 to be paid to a party (the **Demanding Party**) that is found by the





Takeovers Panel or a court to be unlawful, involve a breach of director's duties or to constitute Unacceptable Circumstances.

- (b) If the Takeovers Panel or a court finds an Unlawful Amount, and the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged or if an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review Panel or court finds an Unlawful Amount, then:
  - (i) the undertaking under clauses 5.1 or 5.2 (as applicable) does not apply to the extent of the Unlawful Amount; and
  - (ii) the Demanding Party must within 3 Business Days refund any Unlawful Amount paid to the Demanding Party under this document.

#### **5.10 Fiduciary exceptions**

Notwithstanding any provision in this clause 5:

- (a) the undertaking in clauses 5.1 shall not apply in circumstances where TargetCo or the TargetCo Board is required to do or refrain from doing anything where doing or refraining from doing that thing would or is likely to, in the reasonable opinion of the TargetCo Board, involve a breach of the duties of the directors of TargetCo. The reasonable opinion of the TargetCo Board must be based on specific written legal advice; and
- (b) the undertaking in clause 5.2 shall not apply in circumstances where BidCo or the BidCo Board is required to do or refrain from doing anything where doing or refraining from doing that thing would or is likely to, in the reasonable opinion of the BidCo Board, to involve a breach of the duties of the directors of BidCo. The reasonable opinion of the BidCo Board must be based on specific written legal advice.

---

## **6 EXCLUSIVITY**

### **6.1 Cease existing discussions**

TargetCo must cease any existing discussions or negotiations relating to a Competing Proposal on execution of this document.

### **6.2 No-shop restriction**

During the Exclusivity Period, TargetCo must ensure that neither it nor its directors, officers, employees, agents or advisers on its behalf directly or indirectly solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal.

### **6.3 No-talk restriction**

Subject to clause 6.6, during the Exclusivity Period, TargetCo must ensure that neither it nor any of its directors, officers, employees, agents or advisers negotiates or enters into,

continues or participates in negotiations or discussions with any other person regarding a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, initiated or encouraged by TargetCo; or
- (b) the other person has publicly announced its Competing Proposal.

#### **6.4 Compliance with law**

- (a) Without limiting in any way the application or operation of clause 6.6 if a court or the Takeovers Panel determines that any obligation of TargetCo under this clause 6 or any part thereof:
  - (i) constituted, or constitutes, or would constitute, a breach of fiduciary or statutory duties of the TargetCo Board or TargetCo; or
  - (ii) constituted, or constitutes, or would constitute, Unacceptable Circumstances; or
  - (iii) was, or is, or would be, unlawful for any other reason,then, to that extent, TargetCo will not be obliged to comply with the relevant obligation.
- (b) In Takeovers Panel proceedings, if the Takeovers Panel indicates to TargetCo and BidCo or either of them that in the absence of a written undertaking pursuant to s201A of the *Australian Securities and Investments Commission Act 2001*(Cth) it will make a declaration of Unacceptable Circumstances in relation to any of TargetCo's obligations under this clause 6.4 each of BidCo and TargetCo (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 6 will operate in a manner consistent with the terms of such undertakings.
- (c) If the court or the Takeovers Panel consents, TargetCo must allow BidCo (at BidCo's cost) to participate with TargetCo in any action or proceedings referred to in this clause 6.4.

#### **6.5 Disclosure of Competing Proposal**

Subject to clause 6.6, during the Exclusivity Period, TargetCo must promptly notify BidCo in writing of:

- (a) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with TargetCo or any of its representatives with respect to any bona fide Competing Proposal (whether unsolicited or otherwise); or
- (b) any request for information relating to TargetCo or any of their businesses or operations or any request for access to TargetCo's books or records, which TargetCo has reasonable grounds to suspect may relate to a current or future Competing Proposal,

which notice must include reasonable details of the applicable matter (including the identity of the third person and, if applicable, all material terms of the Competing Proposal).



## 6.6 Exception

TargetCo is not required to comply with its obligations under clause 6.3 or 6.5, in any particular case to the extent that compliance with the relevant obligation would or is likely to constitute, in the opinion of the TargetCo Board based on written legal advice, a breach of any of the statutory or fiduciary duties of the directors of TargetCo.

Without limiting the generality of the foregoing, any obligation in clauses 6.3, 6.5 or 6.8 does not apply to the extent that it restricts TargetCo or the TargetCo Board from taking or refusing to take any action in respect of a bona fide Competing Proposal which was not solicited, invited, or initiated by TargetCo or any of its representatives provided that the Target Board has determined in good faith and acting reasonably and having obtained written legal advice from its external legal advisers, that failing to respond to that Competing Proposal or providing the notification referred to in clause 6.5 or clause 6.8 in respect of a Superior Proposal (as applicable) would be likely to constitute a breach of the Target Directors' fiduciary or statutory obligations.

## 6.7 Normal provision of information

Nothing in this clause 6 prevents TargetCo from:

- (a) providing information to its representatives;
- (b) providing information required to be provided to ASX, ASIC, the Takeovers Panel or any other Public Authority; or
- (c) making presentations to and responding to enquiries from brokers, portfolio investors or analysts in the ordinary course of business.

---

## 7 WARRANTIES

Each party represents and warrants that:

- (a) it is duly incorporated under the laws of the place of its incorporation;
- (b) it has the power and authority to enter into this document and perform and observe all its terms;
- (c) this document constitutes its legal, valid and binding agreement enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform the agreement contained in this document;
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets and no regulatory action has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document; and
- (f) it is not aware of any act, omission, event or fact that would result in the happening of one or more of the Bid Conditions being triggered, except as disclosed by a party to the other party in writing at the Execution Date.

---

**8 ADDITIONAL WARRANTIES BY TARGETCO**

TargetCo represents and warrants to BidCo that:

- (a) Schedule 3 accurately records the total number and details of TargetCo Shares and TargetCo Options on issue as at the date of this document. There are no other shares, options, notes or other securities of TargetCo and no rights to be issued such shares, options, notes or other securities;
- (b) as at the date it is provided to BidCo, so far as is aware, the TargetCo Board, the TargetCo Due Diligence Information is true and accurate in all material respects and TargetCo has not knowingly or recklessly:
  - (i) omitted from the TargetCo Due Diligence Information information, the disclosure of which might reasonably be expected to have resulted in BidCo not entering into this agreement, or entering into it on materially different terms;
  - (ii) omitted anything from the TargetCo Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the TargetCo Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading BidCo;
- (c) it is not aware of any act, omission, event or fact that would result in one or more of the Bid Conditions being breached; and
- (d) it has complied with ASX Listing Rule 3.1 in relation to continuous disclosure and has (to the extent necessary to date) and will continue to comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act.

---

**9 ADDITIONAL WARRANTIES FROM BIDCO**

BidCo represents and warrants to TargetCo that:

- (a) as at the date it is provided to BidCo, so far as the BidCo Board is aware, the BidCo Due Diligence Information is true and accurate in all material respects and BidCo has not knowingly or recklessly:
  - (i) omitted from the BidCo Due Diligence Information information, the disclosure of which might reasonably be expected to have resulted in TargetCo not entering into this agreement, or entering into it on materially different terms;
  - (ii) omitted anything from the BidCo Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the BidCo Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading TargetCo;

Handwritten signature and initials, possibly 'JL @ A N', in the bottom right corner of the page.



- (b) it is not aware of any act, omission, event or fact that would result in one or more of the Bid Conditions being breached; and
- (c) it has, in its public disclosure of information, complied with the disclosure requirements under IDX and OJK Listing Rules.

## **9.2 No action against officers and employees**

Each party waives, and must procure that its Related Bodies Corporate waive, all rights and claims that it may have personally against the officers and employees of the other party or a Related Body Corporate of the other party in relation to any matter arising directly or indirectly in connection with this agreement or the Takeover Bid, except to the extent such rights or claims arise out of the fraud, wilful misconduct or wilful default of such person

---

## **10 ANNOUNCEMENTS**

### **10.1 No Announcement**

Neither party may make an announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law or the listing rules applicable to the party.

### **10.2 Notice of Announcement**

If a party is required to make an announcement under clause 10.1(c), it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the announcement; and
- (b) a draft of the announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft announcement.

---

## **11 TERMINATION**

### **11.1 Termination rights**

This document may be terminated by either party by notice to the other party:

- (a) if the other party is in material breach of this document (subject to clause 11.2(c) in relation to a breach of warranty) and that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if a court or other Public Authority issues a final and non appealable order or ruling or takes an action which permanently restrains or prohibits the Offer; or

*Handwritten signature/initials: g e A N*

- (c) if BidCo withdraws the Bid for any reason including a non-satisfaction of a Condition.

## **11.2 Termination by BidCo**

This document may be terminated by BidCo by written notice to TargetCo if:

- (a) a Superior Proposal is made and publicly recommended by TargetCo;
- (b) any member of the TargetCo Board does not recommend the Bid be accepted by TargetCo Shareholders or having recommended the Bid changes his recommendation in relation to the Bid; or
- (c) TargetCo is in material breach of a warranty in clause 7 or 8 of this document, taken in the context of the Bid as a whole.

## **11.3 Termination by TargetCo**

This document may be terminated by TargetCo by written notice to BidCo if:

- (a) a BidCo Material Adverse Change occurs;
- (b) BidCo is in material breach of a warranty in clause 7 or 9 of this document, taken in the context of the Bid as a whole; or
- (c) a BidCo Prescribed Occurrence occurs.

## **11.4 Effect of termination**

In the event that a party terminates this document under this clause 11 or if this document otherwise terminates in accordance with its terms:

- (a) each party will be released from its obligations under this document except its obligations under clauses 1 (Interpretation), 5 (Compensating Amount) and 13 (General);
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and
- (c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Bid.

---

## **12 AMENDMENT AND ASSIGNMENT**

### **12.1 Amendment**

This document can only be amended or replaced by another document executed by the parties.

### **12.2 Assignment**

A party may only assign, declare a trust over or otherwise deal with its rights under this document with the written consent of the other party.

Handwritten signature and initials, possibly "JG @ AP", in the bottom right corner of the page.



---

## **13 GENERAL**

### **13.1 Governing law**

- (a) This document is governed by the law of Queensland.
- (b) Each party submits to the jurisdiction of the courts of Queensland, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

### **13.2 Liability for expenses**

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

### **13.3 Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

### **13.4 No partnership or agency**

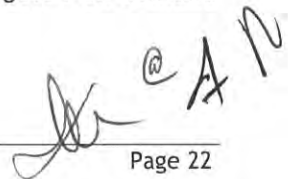
Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

### **13.5 Operation of this document**

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

### **13.6 GST**

- (a) Words defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the same meaning in this clause.
- (b) If TargetCo pays BidCo the Compensating Amount under this document and that gives rise to a liability for GST, TargetCo must pay and indemnify BidCo on demand against the amount of that GST.
- (c) If BidCo pays TargetCo the Compensating Amount under this document and that gives rise to a liability for GST, BidCo must pay and indemnify TargetCo on demand against the amount of that GST.

Handwritten signature and initials, possibly "JAN" or similar, in the bottom right corner.

- (d) If a party provides a payment for or any satisfaction of a claim or a right to claim under or in connection with this document (for example, for a breach of any warranty or under an indemnity) that gives rise to a liability for GST, the provider must pay, and indemnify the recipient on demand against, the amount of that GST.
- (e) If a party has a claim under or in connection with this document for a cost on which that party must pay an amount for GST, the claim is for the cost plus the amount for GST (except any amount for GST for which that party is entitled to an input tax credit).

### **13.7 No merger**

No provisions of this document merge on the Bid being publicly announced and made.

### **13.8 Time of the essence**

Time is of the essence in this document.

### **13.9 Notices**

- (a) A notice, consent or other communication under this document is only effective if it is:
  - (i) in writing, signed by or on behalf of the person giving it;
  - (ii) addressed to the person to whom it is to be given; and
  - (iii) either:
    - (A) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
    - (B) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
  - (i) if it is delivered or sent by fax:
    - (A) by 5.00pm (local time in the place of receipt) on a Business Day - on that day; or
    - (B) after 5.00pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
  - (ii) if it is sent by mail:
    - (A) within Australia - 3 Business Days after posting; or
    - (B) to or from a place outside Australia - 7 Business Days after posting.
- (c) A person's address and fax number are those set out in this document, or as the person notifies the sender.

### **13.10 Counterparts**

This document may be executed in counterparts.

Handwritten signature and initials, possibly reading '@AP', located in the bottom right corner of the page.

---

**SCHEDULE 1 AGREED ANNOUNCEMENT**

[Insert Body of Announcement]

Handwritten signature and initials in the bottom right corner of the page.

---

## APPENDIX 1 OFFER CONDITIONS

The Offer is subject to the fulfilment of the following conditions:

### 1.1 Minimum acceptance condition

During, or at the end of, the Offer Period the number of TargetCo Shares in which BidCo and its associates together have Relevant Interests (disregarding any Relevant Interest that BidCo has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the TargetCo Shares.

### 1.2 BidCo approval

- (a) BidCo obtains all required regulatory approvals in Indonesia, including regulatory approval for the proposed underwritten rights issue by BidCo to fund the Bid Offer;
- (b) BidCo enters into a binding underwriting agreement in respect of the proposed rights issue, with an underwriter having the financial capacity reasonably required by the underwriting, subject only to regulatory and shareholder approval;
- (c) BidCo obtains shareholder approval for the underwritten rights issue and for the conduct of the Bid;
- (d) the proposed rights issue is completed successfully, with the maximum number of shares to be issued to be 5,000,000,000 and on customary terms and conditions; and
- (e) all of the members of the BidCo Board of Directors and Board of commissioners have been informed of BidCo Offer and undertake:
  - (i) the BidCo Boards as required under Indonesian law will unanimously recommend that, in the absence of a TargetCo Material Adverse Change, to BidCo Shareholders to approve the purchase of TargetCo and to undertake the rights issue; and
  - (ii) each member of the BidCo Boards will, in the absence of a Bid Material Adverse Change, accept, or procure the acceptance of the purchase of TargetCo and to undertake the rights issue in respect of all the BidCo Shares that they hold or in which they otherwise have a Relevant Interest.

### 1.3 No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's statement is given to TargetCo and ending at the end of the Offer Period:

- (a) TargetCo converts all or any of its shares into a larger or smaller number of shares;
- (b) TargetCo or a subsidiary of TargetCo resolves to reduce its share capital in any way;
- (c) TargetCo or a subsidiary of TargetCo:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;



- (d) TargetCo or a subsidiary of TargetCo issues shares (other than TargetCo Shares upon the exercise of TargetCo Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) TargetCo or a subsidiary of TargetCo issues, or agrees to issue, convertible notes;
- (f) TargetCo or a subsidiary of TargetCo disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) TargetCo or a subsidiary of TargetCo charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) TargetCo or a subsidiary of TargetCo resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of TargetCo or of a subsidiary of TargetCo;
- (j) a court makes an order for the winding up of TargetCo or of a subsidiary of TargetCo;
- (k) an administrator of TargetCo, or of a subsidiary of TargetCo, is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (l) TargetCo or a subsidiary of TargetCo executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of TargetCo or of a subsidiary of TargetCo

provided that it will not include any occurrence:

- (n) fairly disclosed to BidCo on or before the date of this document (including as a result of disclosures made to ASX)
- (o) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (p) approved in writing by BidCo.

#### **1.4 No prescribed occurrences between Announcement Date and service**

None of the events listed in sections 1.3(a) to 1.3(p) of section 1.3 happens during the period beginning on the Announcement Date and ending at the end of the day before the bidder's statement is given to TargetCo.

#### **1.5 No action by Public Authority adversely affecting the Bid**

During the Condition Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is instituted, or threatened by any Public Authority with respect to TargetCo or any subsidiary of TargetCo; or
- (c) no application is made to any Public Authority (other than an application by BidCo or any company within the BidCo Group, an application under s657G of the Corporations Act, or an application commenced by a person specified in s659B(1) of the Corporations Act in relation to the Bid),

in consequence of, or in connection with, the Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Bid

Handwritten signature and initials, including a circled 'A' and a stylized 'M'.

or the completion of any transaction contemplated by the Bidder's statement or seeks to require the divestiture by BidCo of any TargetCo Shares, or the divestiture of any assets by TargetCo or by any subsidiary of TargetCo or by any company within the BidCo Group.

#### **1.6 Approvals by Public Authorities**

During the Condition Period, BidCo receives all Approvals which are required by law or by any Public Authority:

- (a) to permit the Offers to be made to and accepted by TargetCo shareholders; or
- (b) as a result of the Offers or the successful acquisition of the TargetCo Shares and which are necessary for the continued operation of the business of TargetCo and its subsidiaries or of BidCo and its subsidiaries,

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

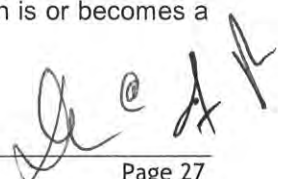
#### **1.7 No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by TargetCo before the Announcement Date, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of BidCo (provided that such consent shall not be required for any event specified in the Agreed Budget):

- (a) TargetCo, or any subsidiary of TargetCo, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than US\$2,000,000 or makes an announcement about such an acquisition;
- (b) TargetCo, or any subsidiary of TargetCo, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than US\$2,000,000 or makes an announcement about such a disposal;
- (c) TargetCo, or any subsidiary of TargetCo, enters into, offers to enter into or announces that it proposes to enter into any joint venture in relation to exploration projects or a partnership or dual listed company structure, or makes an announcement about such a commitment;
- (d) TargetCo, or any subsidiary of TargetCo, incurs or commits to, or grants to another person a right the exercise of which would involve TargetCo or any subsidiary of TargetCo incurring or committing to any capital expenditure or liability for one or more related items of greater than US\$2,000,000 or makes an announcement about such a commitment; or
- (e) TargetCo disposes, offers to dispose or agrees to dispose of, any direct or indirect interest in any of its subsidiaries.

#### **1.8 Conduct of TargetCo's business**

During the Condition Period, none of TargetCo, or any body corporate which is or becomes a subsidiary of TargetCo, without the written consent of BidCo:

Handwritten signature and initials in black ink, located at the bottom right of the page.



- (a) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (b) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of TargetCo Shares upon the exercise of TargetCo Options;
- (c) makes any changes in its constitution;
- (d) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (e) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (f) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (g) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director, or pays or agrees to pay any retirement benefit or allowance to any director, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (h) conducts its business otherwise than in the ordinary course;
- (i) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager);
- (j) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation; or
- (k) TargetCo or a subsidiary of TargetCo takes on any new loans or financing greater than US\$2,000,000.

#### **1.9 No force majeure event**

During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of TargetCo or the relevant subsidiary occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of TargetCo or any of its subsidiaries.

#### **1.10 No material adverse change to TargetCo**

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the:

Handwritten signature and initials, including a stylized 'A' and 'N'.



- (a) assets, liabilities, financial position, performance, profitability or prospects of TargetCo and its subsidiaries taken as a whole or of any of them; or
- (b) status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to TargetCo or any of its subsidiaries,

including without limitation:

- (c) any creditor demanding repayment of a debt of more than US\$15,000,000;
- (d) TargetCo or a subsidiary of TargetCo entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is more than US\$15,000,000; or
- (e) any person accelerating or adversely modifying the performance of any obligations of TargetCo or any of its subsidiaries under any agreements, contracts or other legal arrangements.

but does not include any change:

- (f) fairly disclosed to BidCo on or before the date of this document (including as a result of disclosures made to ASX)
- (g) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them;
- (h) approved in writing by BidCo;
- (i) an event which relates to commodity prices, exchange rates or financial markets;
- (j) a general change in economic, political or business conditions;
- (k) a change in law or regulation or the practice or policy of any Government Agency; a change in law or regulation or the practice or policy of any Government Agency; or
- (l) a change in accounting policy or tax law or regulation or practice.

#### **1.11 TargetCo Options**

During the Condition Period, either:

- (a) all TargetCo Options have been exercised, cancelled or transferred to BidCo or agreement has been reached between BidCo, TargetCo and the holders of the TargetCo Options to do so; or
- (b) BidCo is entitled to compulsorily acquire all outstanding TargetCo Options in accordance with Chapter 6A of the Corporations Act.

---

## APPENDIX 2 DEFINITIONS

<b>Announcement Date</b>	means the date of this announcement.
<b>Approval</b>	means a licence, tenement, authority, consent, approval, order, exemption, waiver, ruling or decision.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited.
<b>BidCo</b>	means PT. Cakra Mineral Tbk
<b>BidCo Group</b>	means BidCo and its related bodies corporate (as defined in the Corporations Act).
<b>Bid Implementation Agreement</b>	means the bid implementation agreement entered into by BidCo and TargetCo on or prior to the Announcement Date.
<b>Condition Period</b>	means the period beginning on the Announcement Date and ending at the end of the Offer Period.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Encumbrance</b>	means: <ul style="list-style-type: none"><li>(a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;</li><li>(b) a notice under s255 of the <i>Income Tax Assessment Act 1936</i> (Cth), subdivision 260 A in schedule 1 to the <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation;</li><li>(c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);</li><li>(d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or</li><li>(e) an agreement to create anything referred to above or to allow any of them to exist.</li></ul>
<b>TargetCo</b>	means Cokal Limited ABN 55 082 541 437.
<b>TargetCo Options</b>	means options to subscribe for TargetCo Shares.
<b>TargetCo Shares</b>	means fully paid ordinary shares issued in the capital of TargetCo.
<b>Offer</b>	means the offer to acquire TargetCo Shares to be made by BidCo to TargetCo shareholders.



**Offer Period**

means the period during which the Offer is open for acceptance.

**Public Authority**

means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

A handwritten signature in black ink, appearing to be 'A. H. @'.



---

## **SCHEDULE 2 AGREED BID TERMS**

### **2.1 Offer Price**

BidCo offers to each TargetCo Shareholder the choice of either:

- (a) \$0.16 in cash for every 1 TargetCo Share held; or
- (b) 10.327 BidCo Shares for every 1 TargetCo Share held.

### **2.2 Conditions**

The offer by BidCo under the Bid may be subject only to conditions:

- (a) that are the same or substantially the same as the conditions described in Appendix 1 to the Agreed Announcement; or
- (b) that are no less favourable to TargetCo Shareholders than those described in Appendix 1 to the Agreed Announcement.

A handwritten signature in black ink, appearing to be 'A. H. @', located in the bottom right corner of the page.

---

## SCHEDULE 3 TARGETCO'S CAPITAL

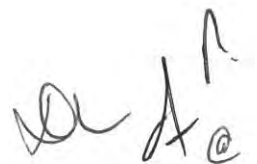
### 3.1 TargetCo Shares

TargetCo has 471,564,926 fully paid ordinary shares on issue.

### 3.2 TargetCo options

TargetCo has 68,700,000 options on issue as follows:

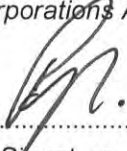
Tranche	Number of Options	Expiry Date	Exercise Price
1.	10,000,000	24 February 2019	A\$0.126
2.	25,000,000	6 February 2019, unless a prescribed event occurs, in which case 6 February 2023	A\$0.13
3.	15,000,000	27 August 2018, unless a prescribed event occurs, in which case 27 August 2022	A\$0.20
4.	900,000	12 April 2015	A\$0.75
5.	50,000	29 June 2015	A\$1.00
6.	5,000,000	5 September 2015	<ul style="list-style-type: none"><li>• 3,000,000@A\$1.10</li><li>• 2,000,000@A\$1.50</li></ul>
7.	350,000	12 October 2016	A\$0.75
8.	1,600,000	12 April 2015	A\$0.20
9.	4,000,000	11 July 2017	A\$0.214
10.	6,800,000	11 July 2017	A\$0.25




## Signing Page

**Executed** as a deed:

Executed by Cokal Limited  
in accordance with s127  
of the *Corporations Act 2001* (Cth)


  
.....  
Directors Signature


  
.....  
Name of Director (Print)

  
.....  
~~Secretary~~/Director Signature

  
.....  
Name of ~~Secretary~~/Director (Print)

Executed by PT.Cakra Mineral Tbk.  
in accordance with Indonesia Company Law

  
.....  
~~Boelio Muladi~~ ARGO TRINANDITYO  
~~President~~ Director

  
.....  
DEXTER SYARIF PUTRA  
Director / SECRETARY

WITNESS:

Signature: .....

Full Name: .....

Address: .....