



**STYLE LIMITED**

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**AGREEMENT TO PURCHASE NORWEST SEAFOODS  
AND CAPITAL RAISING**

Style Limited ("Style" or the "Company") is pleased to announce its intention to enter into the agri-business sector with the signing of a binding asset purchase agreement ("APA") between its wholly owned subsidiary Mareterram Pty Ltd (Mareterram) and Nor-West Seafoods Pty Ltd and Tennereef Pty Ltd (together "NWS") (the "Acquisition").

Pursuant to the APA, Mareterram will acquire certain assets of NWS for a total consideration of \$20m, comprising \$18m in cash and 10m shares in Style at an issue price of \$0.20 per share (post-consolidation). Style will undertake a consolidation of its share capital on a 40:1 basis ("Consolidation"). The APA is subject to the satisfaction or waiver of conditions precedent, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules ("Re-compliance"), completion of a proposed capital raising ("Capital Raising") and transfer to Mareterram of the Shark Bay Prawn Managed Fishery Licenses (SBPMFL) and attached entitlements.

**Overview of NWS and Acquisition**

NWS is a well-established business owned by Mr. Kel Brown. NWS owns and operates 10 of 18 licenses within the Shark Bay Prawn Fishery ("SBPF"), making it the largest single operator in the fishery. The fleet targets two major species, king and tiger prawns, with several material by-catches including coral and endeavour prawns, scallops, blue swimmer crabs, squid and cuttlefish. NWS currently supplies product direct to international markets in Europe and Asia, as well as domestic wholesalers and retailers.

The SBPF has completed a full Marine Stewardship Council (MSC) audit and has passed with requisite scores in all required categories. The final audit documentation and fishery harvest strategy has been completed and a mandatory peer review will be released for public comment. Under interim arrangements the SBPF can start conducting business using the MSC logo. Full accreditation will be handed down once the assessment has been through the committee processes in MSC.

NWS's head office is based in Perth and will remain there post-Acquisition. The NWS fleet is supported by significant infrastructure in Carnarvon, Western Australia. This consists of an administration, engineering and slipway facility in the Carnarvon small boat harbour, and a processing plant and accommodation complex on Babbage Island.

The key assets to be purchased as part of the Acquisition include:

- 10 SBPMFL (each with a 'B' Class Scallop endorsement) within the SBPF of WA.
- Fleet of 10 fishing vessels.
- Leasehold Wharf with administration, warehouse, fuel and cold storage facilities.
- Leasehold engineering and slipway facility with repairs, maintenance and refit capabilities.

Mareterram has also entered into arrangements in relation to the processing plant and accommodation complex on Babbage Island under which:

- Mareterram will have use of on a priority basis the camp for all staff and contractors for a two-year period after completion of the Acquisition.
- Mareterram has taken a license that enables it to have exclusive use of the seafood processing factory for a two year period after completion of the Acquisition.

### **Asset Purchase Agreement**

The APA is subject to certain conditions precedent, including:

- Style obtaining all necessary regulatory and shareholder approvals required to complete the Acquisition and the Capital Raising, including, without limitation, shareholder approval to:
  - Change in the nature and/or scale of Style's activities in accordance with ASX Listing Rule 11.1.2, as required by ASX
  - Proceed with the Capital Raising, including the issuance of shares (in accordance with ASX Listing Rule 7.1)
  - Undertake the Consolidation
  - Allot and issue 10 million consideration shares to NWS (or its nominee).
- Style receiving in-principle approval from ASX for the re-admission of its securities to the official list of ASX on conditions acceptable to Style
- Successful completion of the Capital Raising at \$0.20 per share (on a post-consolidation basis)
- Mareterram completing due diligence on NWS
- There being no material adverse change in respect of NWS
- NWS and Mareterram obtaining all governmental and third party consents, approvals or waivers to the Acquisition

The APA also contains a number of standard terms and conditions, including representations and warranties from each party, considered standard for an agreement of this nature.

### **Transaction Change of Activities**

The Acquisition of NWS will result in a change in Style's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will despatch to shareholders a notice of meeting seeking the relevant approvals to undertake this process, with such notice of meeting to contain detailed information relating to the Acquisition.

### **Share Consolidation**

Subject to approval of shareholders, the Company will undertake a consolidation of its capital at a ratio of 40:1.

### **Name Change**

The Company will seek the approval of shareholders to change its name to Mareterram Ltd.

### **Change of Board**

The Company will seek the approval of shareholders to appoint Kel Brown as a non-executive director and James Clement to the board as an executive director effective on completion of the Acquisition. Peter Hutchinson and James Clement have been appointed to the board of the Company's subsidiary, Mareterram.

## Indicative Capital Structure

The indicative capital Structure of the Company following completion of the Acquisition and its re-instatement to trading on ASX is set out below (on a post-consolidation basis). The Company notes the capital structure is indicative only and may be subject to change prior to completion of the Acquisition.

	Shares	Options	Performance Rights <sup>2</sup> and Options
Current issued capital (prior to consolidation)	543,915,659	150,000,000 <sup>1</sup>	Nil
Estimated issued capital following the proposed Consolidation (40:1)	13,597,892	3,750,000	Nil
Proposed issue of shares to the vendor of NWS (at \$0.20)	10,000,000	Nil	Nil
Proposed minimum issue pursuant to the proposed Capital Raising (at \$0.20)	67,500,000	Nil	Nil
Total estimated on completion of the matters contemplated by all Acquisition resolutions <u>on a post-Consolidation basis</u>	91,097,892	3,750,000	Nil

### Notes:

1. Comprises (a) 50,000,000 options with an exercise price of \$0.005 (pre-consolidation) and an expiry date and 16 May 2017; and (b) 100,000,000 options with an exercise price of \$0.01 (pre-consolidation) and an expiry date and 16 May 2017.

2. Performance rights and options may be granted to directors and employees of Style and/or its subsidiaries prior to or as part of the Acquisition. Full details of any grant(s) will be disclosed to Style shareholders.

As the final quantum of the Capital Raising required to be completed to fund the investment in NWS is not yet determined an unaudited pro-forma balance sheet showing the impact of the Acquisition will be included in the notice of meeting seeking shareholder approval for the Acquisition.

Euroz Securities Limited has been engaged by the Company as a corporate advisor in relation to the Acquisition and to manage the Capital Raising.

## Indicative Timetable

An indicative timetable is set out below. The Company notes the timetable may be subject to change.

Event	Date
Dispatch Notice of Meeting to Style shareholders	Late August 2015
Lodge prospectus with ASIC	Late August 2015
General Meeting of Style shareholders	Late September 2015
Prospectus offer closes	Early October 2015
Completion of Capital Raising and Acquisition	Mid-October 2015
Dispatch Holding Statements	End October 2015
Re-quotation of Style securities	End October 2015

Following completion of the Acquisition and the Capital Raising (assuming shareholder approval is received) the Company will have an implied pro-forma market capitalisation (at a \$0.20 post-consolidation share price) of \$18.2m. The Company and Mareterram will fund the balance of the acquisition and working capital requirements via bank debt. In this regard the Company has held preliminary discussions with the major lenders to agri-businesses in Australia which have been positive.

**Commenting on the transaction Peter Hutchinson, Chairman of Style Limited said;**

“Nor-west Seafoods will be the catalyst asset for the Company to re comply with Chapters 1 and 2 of the ASX listing rules and consequently enter the listed agri business marketplace. The Board is confident that such a quality asset will provide a strong platform for further growth in the seafood industry and provide a structure for potential agri business diversification.

I am looking forward to working closely with James Clement and Kel Brown in transitioning the NWS business from private to public ownership and ensuring that the Nor-West Seafoods brand name expands into new and more lucrative markets over the medium to long term, potentially via downstream processing and increased product mix of the catch”

“Mareterram is delighted to have the support of Euroz Securities as Corporate Adviser to the transaction” he said.

**For further information please contact:**

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