

11 August 2015

### Marion Energy executes Deed of Company Arrangement

Further to previous announcements, Marion Energy Limited (subject to deed of company arrangement) (ASX:MAE) advises that creditors have resolved to vary the terms of the Deed of Company Arrangement executed on 18 March 2015.

It was proposed that the DOCA be varied in accordance with the terms of a recapitalisation proposal made to the Company by Otsana Capital. Following the acquisition of Marion Energy Inc's assets by Castllake, the Deed Administrator sought submissions from various parties that had expressed an interest in recapitalising the Company. Otsana Capital's proposal was the most favourable and culminated in a formal offer, the main elements of which are:

- Upon receipt of approval from creditors, execution of the amended and restated DOCA and receipt of an irrevocable undertaking from KM Custodians Pty Ltd:
  - the Company will be paid a deposit of \$10,000 by Otsana; and
  - a deed fund will be established to hold the remaining assets of the Company, from which creditors' claims would be satisfied;
- Upon receipt of shareholder approval:
  - \$140,000 would be paid to the deed fund by the Company, or if the Company has insufficient funds will be loaned by Otsana;
  - issue 10 million fully paid ordinary shares at a deemed price of \$0.02 to the deed administrator for the benefit of creditors; and
  - KM Custodians Pty Ltd will release its security over the assets of the Company.
- Priority creditors would be paid from the assets of the creditors' trust;
- As secured creditor, KM Custodians would be entitled to the surplus assets in the Creditors Trust (excluding the shares) in priority to other creditors;
- Shares will be issued *pro rata* to all creditors in proportion to the value of their proven unsecured claims (including the unsecured balance owing to KM Custodians).

A notice of meeting and explanatory memorandum is currently being prepared to allow for a general meeting of shareholders at a date to be determined in the near future. Further details of the recapitalisation proposal will be contained in the notice of meeting.

An amended and restated DOCA consistent with the recapitalisation proposal was executed on 7 August 2015.



Shareholders should note that the re-quotation of the Company's securities to official quotation on ASX is subject to the Company first re-complying with Chapters 1 and 2 of the Listing Rules.

Enquiries may be directed to the Deed Administrator:

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J P Downey & Co  
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**Marion Energy Limited**

Per:

A handwritten signature in blue ink, appearing to read "Nick Stretch".

Nick Stretch  
Company Secretary  
(as authorised by the Deed Administrator)